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## **The Scruffy City: Development in Knoxville, TN**

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To the Graduate Council:

I am submitting herewith a dissertation written by Katherine Leigh Morris entitled "The Scruffy City: Development in Knoxville, TN." I have examined the final electronic copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Sociology.

Jon Shefner, Major Professor

We have read this dissertation and recommend its acceptance:

Paul Gellert, Stephanie Bohon, Derek Alderman

Accepted for the Council:

Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

# **The Scruffy City: Development in Knoxville, TN**

A Dissertation Presented for the  
Doctor of Philosophy  
Degree  
The University of Tennessee, Knoxville

Katherine Leigh Morris  
December 2016

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## **ABSTRACT**

Urbanization and globalization are two processes that have dramatically changed economic, political, and social structures across modern society. When impacts of globalization and urbanization are discussed by academics, policy makers, or the media, the emphasis is usually on large mega-cities such as New York City. Despite this focus on these large urban cities, most of the growth in urban populations across the globe has occurred in smaller cities. The purpose of this study is to highlight some of the ways in which globalization has impacted a smaller city and some of the strategies city leaders and developers have adopted to adapt to these changing structures. This is accomplished by analyzing development in Knoxville, the third largest city in the state of Tennessee. Knoxville is used to understand changing urban structures, such as neoliberal suburbanization and gentrification; changing economic structures, such as deindustrialization and tourism based on place or heritage; and the increasing use of public-private partnerships between the City of Knoxville and developers. This project concludes that this snapshot of development in Knoxville helps integrate growth machine theory into theories of neoliberalism and globalization, which furthers understanding of urban processes. Furthermore, changing economic structures pressure local governments to pursue alternative economic opportunities.

## TABLE OF CONTENTS

Chapter One Introduction .....	1
Introduction .....	1
Chapter Summaries .....	7
Chapter Two Globalization and the City: Theoretical and Empirical Context .....	11
Globalization, Global Cities, and Neoliberalism .....	14
Globalization .....	14
Global Cities.....	17
Neoliberalism .....	20
Urban Political Structure in the United States .....	22
Roles of Government and Industry .....	22
Use and Exchange Values- Growth Machine Theory .....	25
Circuits of Capital.....	30
Changing Economic Structures .....	34
Manufacturing and High-Tech Services.....	34
Tourism and the Entertainment City .....	35
Changing Urban Structures .....	37
Suburbanization.....	37
Gentrification.....	42
Conclusions .....	46
Chapter Three A Brief History of Knoxville.....	47
The New South Turns Ugly, 1791 to 1949 .....	49
White Flight and Downtown Blight, 1950 to 1969 .....	59
From Scuffletown to the Sunsphere: 1970 to 1989.....	61
From Gay Street to Turkey Creek: 1990 to the Present .....	65
Chapter Four The Fescue Frontier and the Gill Avenue Gentry: Neoliberal Suburbanization and Gentrification .....	74
Neoliberal Suburbanization and Gentrification .....	75
Neoliberal Suburbanization .....	79
Neoliberal Gentrification .....	89
Conclusions .....	99
Chapter Five Marble Quarries and Mountain Bikes: Industry and Tourism in Knoxville, TN .....	102
Luring Industry to Knoxville .....	106
Urban Heritage Tourism.....	114
Outdoor Knoxville .....	117
Music and Festivals .....	127
Conclusions .....	131
Chapter Six Megaprojects .....	133
The Convention Center .....	140
The Justice Center .....	145
Turkey Creek.....	149
University Commons .....	153

Conclusions .....	156
Chapter Seven Corridor Redevelopment .....	158
From Renaissance to Market .....	161
Happy Holler .....	167
South Knoxville Riverwalk .....	170
Cumberland Avenue Corridor .....	173
Public-Private Partnerships: Locale, Scale, and Community Reactions .....	176
Conclusions .....	184
Chapter Eight Conclusions .....	187
Changing Urban Structures .....	188
Changing Economic Structures .....	191
Public-Private Partnerships .....	194
Conclusions .....	197
List of References .....	198
Vita .....	221

## LIST OF TABLES

Table 3-1: Demographic Comparisons: Tennessee, Knox County, City of Knoxville, Downtown Knoxville, Farragut, and Oak Ridge .....	68
Table 3-2: Knox County Population Trends .....	73



## LIST OF FIGURES

Figure 2-1: World Population in Urban Areas .....	13
Figure 3-1: East Tennessee and Knox County .....	48
Figure 3-2: Oak Ridge- Knoxville Area .....	56
Figure 3-3: 1982 World's Fair Map (Knoxville, TN).....	66
Figure 3-4: Median Household Income: 1999 .....	67
Figure 3-5: Downtown Knoxville .....	72
Figure 4-1: Total Population: White Alone .....	87
Figure 4-2: Median Household Income .....	88
Figure 4-3: City of Knoxville Tax Increment Financing Project Status .....	93
Figure 5-1: Knoxville's Urban Wilderness South Loop .....	122
Figure 5-2: Knoxville's Urban Wilderness South Loop Signage.....	125
Figure 6-1: TIF Model .....	136
Figure 7-1: Corridors.....	159
Figure 7-2: City of Knoxville TIFs (Blue) and PILOTs (Red) .....	168

## **CHAPTER ONE**

### **INTRODUCTION**

#### **Introduction**

Walking out my side door with my family, we turn down our street for our evening walk. Our rental house, a small working-class home with chipped white paint, is surrounded by similar homes, many in various states of disrepair. Most of our neighbors also rent, with the exception of the couple next door who have lived here for over 40 years. We walk down to Sevier Avenue, the main road in Old Sevier. The road itself has been under construction for months—workers replacing the old sewage pipes. Freshly painted bike lanes appear on either side of the road. Across the street we see the new for lease sign in the empty storefront that was recently home to Free U Bail Bonds. Next door at the Flat Iron III, a non-profit space for recovery groups, we can still see dozens of people coming in and out. The group called this space home for 23 years, but they must vacate the property soon. The rent for their space jumped from \$650 to a possible \$2000 a month (Beecken 2016).

Directly across the street from the Flat Iron III stands a building that four years ago housed a self-service laundry and God's Place, a Christian meeting room. Today, the newly renovated building boasting modern styled wood and glass, is home to Three Bears Coffee, Alliance Brewing Company, and Laundry, a forthcoming women's athletic clothing store. As we continue down Sevier Avenue and cross the street to Island Home Boulevard, we pass an older house that will

soon be renovated into, what the owner described to me as, an Asian noodle and whisky restaurant. About a quarter of a mile further down the road, in a building that homed several different dive bars, is Trailhead Beer Market. Opened in fall of 2015, Trailhead targets outdoor enthusiasts coming to and from the Urban Wilderness—1000 forested acres in South Knoxville with over 50 miles of multi-use trails.

We turn and continue down to Phillips Avenue where we can see the downtown skyline across the Tennessee River. We pass by several more homes and the construction site of Suttree Landing, an eight-acre park on the waterfront. This section of south Knoxville is the center of the planned South Waterfront development. The South Waterfront is just one of many areas in Knoxville that are targets of redevelopment. Speaking to neighbors and business owners, there are feelings of excitement but also feelings of unease. What does the future of this neighborhood hold? What kind of development will come in? What does the redevelopment of my neighborhood suggest about urban politics and economics? How can we understand development in Knoxville? How can we understand the story of Knoxville in global and national contexts? These are many of the questions that sparked my interest in this research project.

If we look at urbanization from a global perspective, 2007 marks the first time when the majority of the world's population lived in urban as opposed to rural areas (United Nations 2014:7). Furthermore, it is estimated by 2050, 66 percent of

the world's population will be urban (United Nations 2014:1). When impacts of globalization and urbanization are discussed by academics, policy makers, or the media, the emphasis is usually on large megacities such as New York, Tokyo, or London. Despite this focus on these large urban cities, most of the growth in urban populations across the globe occurs in smaller cities. In fact, 50 percent of the world's urban population lives in cities with a population less than 500,000. In 2014, 43.3 percent of the world's urban population had fewer than 300,000 inhabitants (United Nations 2014:79). More consideration and research is needed to understand how changing political, economic, and urban processes impact smaller cities.

The purpose of my dissertation is twofold. First, I suggest that the over-focus of urban literature on large cities overshadows the ways in which changing economic, political, and other global processes impact smaller cities such as Knoxville. I offer some contrasts to the globalization literature's focus on big cities by examining some of the strategies Knoxville's city leaders and developers adopt to adapt to these changing structures. By integrating growth machine theory into the theories of globalization, I offer a suggestive study that complements current literature on urban development. Second, my story is about a specific place: Knoxville, TN. Knoxville is the third largest city in Tennessee and although often overshadowed by its neighbors Memphis, Nashville, and Atlanta, it nonetheless has a rich history and its own significance in discussions of urban processes today.

My study is a specific study of a place with a unique history—the land, the rise and decline of industry, and the relationships with neighboring places such as Oak Ridge. By looking at both megaprojects and smaller, mixed-use projects in Knoxville, I am able to examine how globalization provides new opportunities and need for smaller city actors to pursue economic developments. At the same time, I contribute to growth machine theory by following development over time by examining how the city and smaller stakeholders partner together, refocusing growth machine theory to take city government into greater account. This is not meant to be a unilateral reading of development in Knoxville, but it recognizes, for better or worse, agency of smaller actors in a global context.

For my Master's thesis, I conducted archival research to examine the differences between urban and suburban growth machines, specifically I looked at the Turkey Creek development versus the Gay Street Corridor. My initial questions focused on how urban and suburban growth machines differ in dependency and organization; ideology, culture, and tactics; and community reactions. I concluded that further research needed to be conducted looking at the scale and locale of development projects and the normalcy of growth language into everyday discourse. My dissertation is the continuation of that research project<sup>1</sup>.

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<sup>1</sup> My dissertation includes material from my Master's thesis, primarily the history of Knoxville and the historical background of certain development projects. I indicate with footnotes where this occurs.

I began my research for this project in 2010. I use analytical induction as the methodological logic of my extensive archival research, fieldwork, and interviews. Analytical induction (Znaniecki 1934) generalizes by abstracting from the data found in the research. The procedure for analytical induction begins with a hypothesis and a rudimentary definition of the phenomenon. These are then compared with the facts of the study and then modified in one of two ways. One, the hypothesis is modified to fit the facts or two, the definition of the phenomenon is reworked to exclude cases that do not fit (Robinson 1951).

Katz (2015) argues that analytical induction can help qualitative social research with concepts of validity such as representativeness and reliability. With representativeness, he argues that this method shapes the researcher's perspective on the research subject by examining social processes as the actors experience it from within. He continues that analytical induction method creates an internal variety which establishes external validity by the variety of cases and data analyzed. With reactivity, the researcher is viewed as a meaningful member of the social processes and will therefore minimize the risk of creating artificial data. Katz argues that analytical induction creates a relationship with the reader that puts the reader in a role of colleague that increases trustworthiness in the project. The reader can determine the variety of the data, the way the data and analysis are interwoven, and if the theoretical claims could be tested on new data.

The first stage of my research focused primarily on archival research. The two primary media sources used for analysis in this project are the *Knoxville News-Sentinel* and the *Metro Pulse*<sup>2</sup>. Using both online archives and archival collections in the local library, I was able to gather much of the foundation for my further research. Other collections that proved invaluable were the Knox County Metropolitan Planning Commission archives and the City of Knoxville reports.

I began my examination of Knoxville by focusing first on downtown development and the Town of Farragut, an incorporated suburb west of Knoxville. As I got deeper into my research, the geography of my project expanded. Knoxville partners with the City of Oak Ridge to recruit industry to the area. Other areas of Knoxville proved to be important components to this story: The South Waterfront development, Central Avenue Corridor in north Knoxville, and University Commons near the University of Tennessee.

Another major component of my research was interviewing key actors in Knoxville. I was to interview key stakeholders and actors in the growth machine such as real estate developers, government officials and employees, community activists, business leaders, and journalists. I conducted twenty interviews with these main stakeholders. Each interview lasted from 30 minutes to two hours and

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<sup>2</sup> E.W. Scripps Company owned both the *Knoxville News-Sentinel* and *Metro Pulse*. In Fall 2014, Scripps surprisingly shut down the *Metro Pulse* and 11 months later the online archives were either disconnected or allowed to lapse (Neely 2015).

was recorded. I kept the respondents confidential because in doing so I was able to get more sensitive and honest answers from the stakeholders.

### **Chapter Summaries**

In Chapter Two, "Globalization and the City: Theoretical and Empirical Context," I begin my study by laying out a theoretical framework based primarily on examinations of globalization, global cities, and neoliberalism. The literature on globalization in this study focuses primarily on the changes in economic and political structures since the 1970s. These changes include the expansion of trade and markets, innovations in technology and communications, and the stretching of social, economic, and political activities across political boundaries. Sassen's (2001, 2004) work on global cities is used as a foundation to understand strategies large cities adopt in the face of globalization as a template for understanding developmental strategies for smaller cities. Changing macro-structures such as the shift from production to finance and service based activities have real impacts on city strategies for economic development. Understanding processes in the global city can help us understand processes in the smaller cities such as Knoxville. Finally, I examine neoliberalism as a force that places pressure on cities to adopt new strategies to survive in a capitalist globalized economy. Attacks on social welfare, dismantling of organized labor, and the privatization of goods and services became the desired outcome of economic activity. Such policies are then normalized in urban political discourse.



From this framework built by studies of globalization, global cities, and neoliberalism I look more specifically at political structures in the United States. First, I delineate the roles of government and industry in urban processes. Wealth accumulation is placed on each city, county, and state in the United States, creating an atmosphere of competition between the governing bodies within the differing political boundaries. Capital interests have always held power in urban processes in the United States, but globalization increases the power of capital in negotiations with government by increasing the threat of industry exit. This creates a situation in which government increases investment in public-private partnerships. Second, building on the understanding of the relationship between government and industry, I use growth machine theory to look more specifically at use and exchange values in urban processes. The tension between space itself and its value in use or exchange impacts how cities strategize development projects.

After laying out these political structures, I examine changing economic structures in urban areas. Primarily, I examine manufacturing as the former dominant industry that declined dramatically in urban areas within the last several decades. This radically changes both the physical landscape and developmental strategy of cities in the United States. Cities often attempt to adapt to this change by making themselves more appealing to financial and high-tech industries or creating tourism development programs.

Finally, I examine suburbanization and gentrification as processes that dramatically change urban structures in the United States. Suburbanization became a dominant process in urbanization in the United States in the 1950s. Almost simultaneously, gentrification rose as a development strategy to revitalize areas left to dilapidation, often because of the increased mobility of certain classes created by suburbanization. Both of these processes impact developmental strategies of cities.

After laying out this theoretical and empirical context, I begin my analysis of Knoxville, TN. Chapter Three, "A Brief History of Knoxville," focuses on four broad historical time periods. The first time period roughly begins with the founding of Knoxville in 1791 and ends before 1950. This part of the story is told primarily to lay the foundation for the next time periods. The next time period runs from 1950 to 1969. During this time period, there is a growth in suburbanization and a decrease in center city development. The next time period, 1970 to 1989, marks a time of attempted redevelopment plans for both downtown Knoxville and its surrounding areas. Finally, 1990 to the present is examined briefly as this period highlights the many impacts of globalization on development and other urban processes and will be discussed in detail in subsequent chapters.

The remainder of my dissertation looks at the real urban responses and strategies of Knoxville to these changing economic, political, and urban structures. Each chapter looks at competing, but not necessarily mutually exclusive, strategies adopted by actors responding to real pressures, highlighting their agency within

the structures of neoliberalism. Chapter Four, "The Fescue Frontier and the Gill Avenue Gentry: Suburbanization and Gentrification in Knoxville," analyzes the processes of suburbanization and gentrification in Knoxville, TN with emphasis on neoliberal urban processes. Chapter Five, "Marble Quarries and Mountain Bikes: Manufacturing and Tourism in Knoxville," looks at the strategies used to address declining manufacturing in Knoxville including the push to increase tourism and lure high-tech and other manufacturing industries. Chapters Six and Seven, both look at specific development projects. Chapter Six examines four mega projects. I define a megaproject as a large-scale project that is led by one developer, or development group, and has at least one anchor. Two of the megaprojects I examine are anchored by government developments and the other two use private development anchors. Chapter Seven examines mixed developments pursued by the City of Knoxville in the form of corridor studies. With a mix of private and public funds and partnerships, the city encourages development in certain areas. This chapter includes examination of Market Square, South Waterfront, Central Avenue Corridor, and Cumberland Avenue. Chapter Eight lays out the conclusions and ideas for further study.

## CHAPTER TWO

### GLOBALIZATION AND THE CITY: THEORETICAL AND EMPIRICAL CONTEXT<sup>3</sup>

In 2009, the World Bank released a list of the top 100 economic bodies in the world, including countries, companies, and cities. According to Hoornweg and colleagues (2010), of the world's top 100 economic bodies, 53 are countries, 13 were companies, and 34 were cities. For example, the top ten cities listed among these economic bodies were as follows:

- 12. Tokyo, Japan
  - 14. New York, USA
  - 20. Los Angeles, USA
  - 26. Chicago, USA
  - 28. London, UK
  - 29. Paris, France
  - 36. Osaka/Kobe, Japan
  - 39. Mexico City, Mexico
  - 40. Philadelphia, USA
  - 41. Sao Paulo, Brazil
- (Hoornweg et al. 2010)

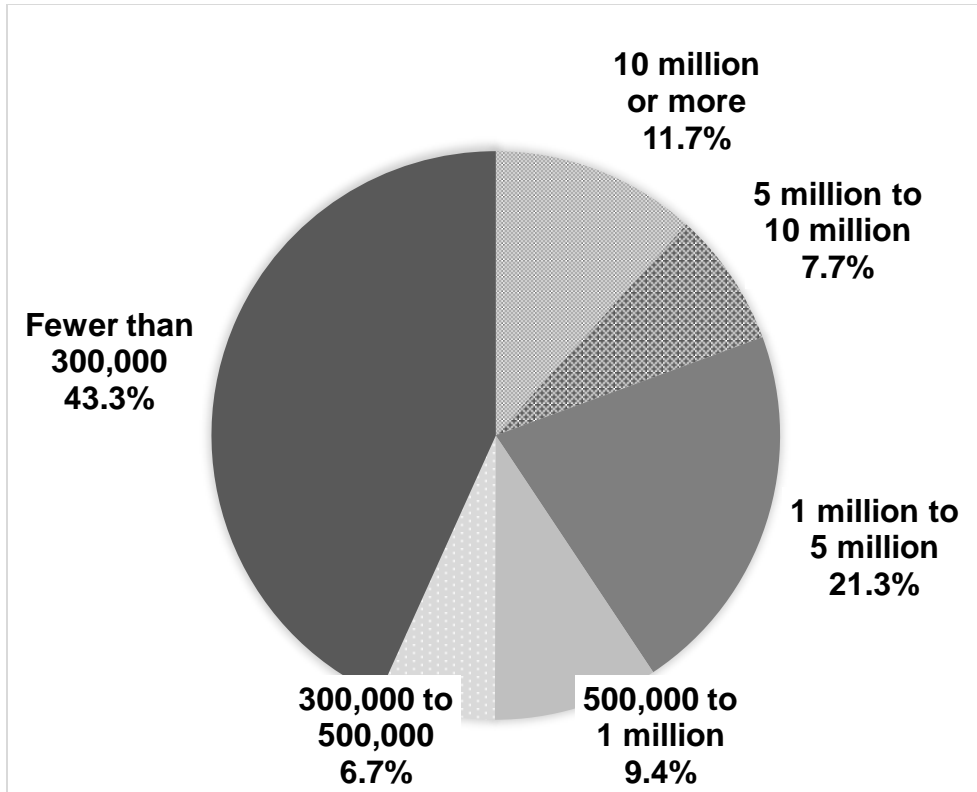
The data confirm that cities such as these are important actors in this globalized world, but how should we think about midsize and smaller cities? If corporations and megacities are such powerful forces in the economy, how important can smaller cities be? A United Nations Department of Economic and

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<sup>3</sup> In this chapter, the section on the role of government in development is adapted from my Master's thesis (2007: 25- 27). Suburbanization and growth machine theory are also discussed in both my thesis and my dissertation, but have been significantly updated or changed.

Social Affairs report (2014) highlight by 2030 over five billion people will live in urban areas, but the majority of this population will be in smaller cities and towns, not in major cities. In 2014, 43.3 percent of the world's urban population lived in smaller cities and towns with fewer than 300,000 residents (See Figure 2.1). Megacities, defined as having more than ten million inhabitants, accounted for only 11.7 percent of the world's urban population. This distribution of the world's urban population leads to the question: how has growing urbanization and changing global structures impacted smaller cities and what kind of suggestions does that offer us for deeper understanding of urban economic, political, and social processes?

Although larger cities often dominate urban studies, it is increasingly important to understand how global processes such as globalization impact urban processes in smaller and midsize cities. In this chapter, I will first briefly review the literature on cities in a global world. Globalization, global cities, and neoliberalism are highlighted to help frame urban processes in Knoxville, TN. I then look at the political structure in the United States with specific emphasis on the roles of government and industry and growth machine theory. This section will lay the foundation for studying the relationship between government and industry in Knoxville by examining how both the state and industry seek to achieve their common goals, primarily wealth creation and growth. Growth machine theory helps highlight this relationship that is both contentious and collaborative. In the growth



**Figure 2-1: World Population in Urban Areas**  
Source: United Nations Department of Economic and Social Affairs, 2014

machine theory, use and exchange value of urban space is examined to understand how different coalitions of groups try to obtain and increase exchange value. Thinking about growth machine theory within a global context allows us to suggest how the former should influence how the latter changes.

The next section examines the changing economic structure of the United States focusing primarily on the shift from manufacturing and industry to service and financialization. Deindustrialization impacts both the physical infrastructure of cities as well as the processes and decisions of city leaders to maximize growth and development. Cities adapt to changing structures by targeting high-tech and other forms of manufacturing as well as increasing tourism opportunities.

Finally, I detail some of the changing urban dynamics in the U.S., including gentrification and suburbanization. Suburbanization is the process of people moving out of central cities to outlying areas surrounding the city. As suburbanization became a norm in American urbanization processes, areas within the central city are abandoned and fell into dilapidation. Gentrification is introduced to help redevelop these derelict urban areas.

### **Globalization, Global Cities, and Neoliberalism**

#### *Globalization*

The last four decades witnessed the integration of the concept of globalization into everyday discourse, but the linking of cities through capitalism is not a new phenomenon. What changed is the scale, speed, and flexibility of capital

to cross borders. The last half-century witnessed vast innovations in transportation, communication, and technology, expanding the global market and increasing competition between cities for investment. Acknowledging the influence of globalization does not eliminate the influence of local actors, organizations, or government and a study of urban centers must acknowledge that local structures, systems, and agency act within global context.

Held and McGrew argue that globalization encompasses an intensification of relations and interactions on a global scale (2007). To understand globalization, one must look at the process as a historical praxis characterized by several distinct phenomena. Held and McGrew showed that it involves “a *stretching* of social, political, and economic activities across political frontiers so that events, decisions and activities in one region have significance for individuals and communities in distant regions of the globe” (2007). Globalization also includes a growing magnitude of interconnectedness in institutions from economic to environmental spheres. This growing magnitude and stretching are enhanced by growth and innovation in technology and communications that create an accelerating pace of transnational interactions.

Cavanagh and Mander (2004) point out several key features of corporate globalization. These are useful to highlight before moving on to delineations of changes in political, economic, and urban structures in the United States. Furthermore, these outline processes that can be studied in a city such as Knoxville. The features are as follows:



- Promotion of hypergrowth and unrestricted exploitation of environmental resources and new markets to fuel that growth
- Privatization and commodification of public services and of remaining aspects of the global and community commons
- Global cultural and economic homogenization and the intense promotion of consumerism
- Integration and conversion of national economies, including some that were largely self-reliant, to environmentally and socially harmful export orientated production
- Corporate deregulation and unrestricted movement of capital across borders
- Dramatically increased corporate concentration
- Dismantling of public (health, social, and environmental) programs already in place
- Replacement of traditional powers of democratic nation-states and local communities by global corporate bureaucracies

Cavanagh and Mander 2004:34

Sklair (1999) argues that there are many different areas of globalization studies such as the world-systems approach, the global culture approach, and the global society approach, but it is the global capitalist approach that is most useful to focus this research, as it is the most powerful. Capitalist globalization wields enormous power over institutions across the globe. Globalization reconfigures the political economy of place thus highlighting the changing political, economic, and urban structures of the United States.

## *Global Cities*

Sassen (2001; 2004) coins the term “global city” to describe megacities such as New York, Tokyo, and London which are often viewed as hubs of power, money, and influence. Sassen argued that although research on globalization focuses primarily on power and hypermobility, this type of analysis ignores place and production. Some of the resources that are needed for the economic activities of globalization such as buildings, roads, and machines are not hypermobile and therefore embedded in places such as global cities (2001). Sassen characterizes global cities as having high levels of economic power through the growth of the financial sector while the manufacturing industry deeply reduced. Global cities are able to respond to these changes by moving to the financial sector in which a new global system of power and hierarchy are created.

Sassen argues that two global processes transform the major cities of many developed countries. First, the dramatic growth of international financial activity and service transactions shifts the global economic structure from production to finance and producer services. Second, these shifts concentrate such activity in the highly developed countries. These dual processes work to renew the importance of major cities as the hubs of innovation, marketing, and services. Furthermore, the internationalization of mergers, property and capital investment, and financial transactions increases the “de-nationalization” of cities.<sup>4</sup>

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<sup>4</sup> Sassen argues that globalization is in itself denationalization. As she says “(There is) a great strengthening of the market sphere, but with an ironic twist: a greater autonomy that allows powerful economic actors, notably global firms, to act as informal political agents. This then moves

Sassen describes how global cities become postindustrial production sites of the global North. First, the management and regulation of both global financial markets and the network of production sites was increasingly centralized as a consequence of the reorganization of financial markets and the geographic dispersal of production and service sites. Second, this centralization marks the increasing importance of corporate service firms and non-banking financial institutions in the control and management of economic structures once dominated primarily by large, traditional corporations and banks. Finally, economic activity is increasingly defined by innovations in service and financial industries.

These processes have distinct impacts on cities and people. Economically, these transformations create growing gaps in earnings inequality, most prominently between men and women, but also by race and ethnicity. Part-time jobs with low pay and benefits are increasingly common as salaries in financial industries grew dramatically. The structuring of the city also changed. These transformations included institutionalized casual labor markets, often manifesting in informal economies. They also include privatization of services traditionally supplied by the state. Furthermore, the growth of gentrification as a development model created a commercial infrastructure apparent in distinct areas of cities.

Zukin (1992) argues that although Sassen's work on the global city was valuable to understanding how the shifts in the economy transform cities, further

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into my analysis about the denationalizing, partial and specialized, that these firms can bring about in the policies of nation-states—they get reoriented, away from historically defined national aims towards denationalized global aims" (Sassen and Wennerhag 2006).

research needed to identify the dependence of cities on decisions made by transnational institutions and corporations. These corporations or institutions may be in the city, but they are not of the city. Furthermore, the relationship and subtle negotiations between global corporations and existing public institutions of cities must be addressed. Boschken (2008) argues although the global city was the focus of much research, the concept lacks a clear definition that can be empirically studied. To address this concern, he delineates seven major components of global cities: A monocentric urban area, a command center for the global economy, a global entertainment machine, a world center for research, a global center for multi-cultural exchange, an international transport gateway, and a rail mass transit infrastructure. Boschken argues that to understand the global city, one must take into account each of these dimensions. Furthermore, future research must examine the impacts of development plans on smaller cities that attempt to mimic or deviate from the global city model. This is the moment where growth machine analysis can help us understand how globalization impacts smaller cities and towns.

Such analysis ignores the impact of global social change on smaller cities. Smaller cities are often not able to pursue the strategies described above, but are still confronted by global dynamics such as deindustrialization. Downtowns and business centers experience dramatic increase in investment and real estate as low-income urban and metropolitan areas are forced to cope with a history of increasing disinvestment in infrastructure and services. Highly educated corporate

employees enjoy dramatic increases in their salaries as low and medium-skilled workers struggle as their pay either declines or stagnates. The impacts of globalization on cities are facilitated by neoliberal policies, which are analyzed in the next section.

### *Neoliberalism*

Neoliberalism, like globalization, emerged in the late 1970s and soon became the dominant economic and political ideology of institutions, corporations, and governments. By the end of the 1960s, the breakdown of embedded liberalism became apparent across the globe. Unemployment and inflation grew dramatically as states across the world faced severe fiscal crises (Harvey 2005). The era of Keynesian economics ended and neoliberalism appeared as the single answer to the world's economic problems. Ostensibly, neoliberalism calls for the removal of the state from any market regulation to make markets more secure. Social welfare systems were slashed, the attack on labor intensified, and privatization of goods and services became the desired outcome.

The late 1970s witnessed the move away from the abstract philosophical project of writers such as Friedman, which Peck and Tickell (2002) labeled proto-neoliberalism. Proto-neoliberalism pushed the neoliberal ideology from a primarily theoretical thought-project to the neoliberal politics of the 1980s. This roll-back neoliberalism was centered on the attack of Keynesian economics, labor, union, regulation, and state ownership. As the era of Reagan and Thatcher gave way to Clinton and Blair, neoliberalism moved from the roll-back stage to roll-out

neoliberalism as the contradictions and consequences of roll-back neoliberalism became impossible to deny. This phase is marked by the return of regulation and state-intervention but is still dominated by economic market concerns. Peck and Tickell describe it as such:

Neoliberalism is increasingly concerned with the roll-out of new forms of institutional “hardware.” In the neoliberal heartlands, this is associated with a striking coexistence of technocratic economic management and invasive social policies. Neoliberal processes of economic management- rooted in the manipulation of interest rates, the maintenance of noninflationary growth, and the extension of the “rule” of free trade abroad and flexible labor markets at home- are increasingly technocratic in form and therefore superficially “depoliticized”... meanwhile, a deeply interventionist agenda is emerging around “social” issues like crime, immigration, policing, welfare reform, urban order and surveillance, and community regeneration (Peck and Tickell 2002: 42).

Keil (2009) argues that a third phase of neoliberalism, roll-with-it neoliberalization, highlights how the concept of neoliberalism is normalized in government and social processes as an unquestioned condition of capitalism. The impact of neoliberalism is seen in what Smith (1996) calls the revanchist city. Revanchism is a term used to describe the political process in which territory is reclaimed, usually following a war. Smith conceptualizes the revanchist city of the 1990s as the revenge of the middle, upper, and corporate class actors on the homeless, poor, and minority groups who had taken over their city.

Globalization literature often suggests that the global structures have a homogenizing effect on economic and cultural processes. Big box retail and restaurants are often seen as the driving force of economic and cultural development, suggesting that local actors, history, and geography do not matter. In this project, place is examined to understand how global processes impact the economic, social, and political processes in Knoxville.

### **Urban Political Structure in the United States**

#### *Roles of Government and Industry*

The decentralized structure of United States politics places the responsibility for wealth creation and accumulation on the individual city, county, and state. This structure forces each level of government to encourage economic progress by competing for new sources of investment, employment, and development (Cobb 1993). The relationship between government and industry is complex as there is a distinct division of labor between those who accumulate capital and those who manage the state apparatus (Block 1987). However, state managers are dependent on economic activity. Elected officials must maintain the legitimacy of social order, while focusing on economic opportunities to expand the tax base. Although not necessarily a tool of capitalist elites, the state does most often serve capitalist needs.

The ability of a state to govern relies on financing, taxation, and the ability to borrow. Individual state managers may want to adopt social programs or initiate policies that go against capitalist rationale, but because the ability of the state to

function rests on healthy economic activity, state managers are pushed to serve capitalist interests. In addition, state managers are elected officials and therefore need public support to sustain their power. Although capitalist interests often exploit workers and communities, public support of government officials drops quickly if there is a decline in economic activity. Because state managers must simultaneously seek public support and provide finance for the state, they must maintain a healthy level of economic and political activity.

By maintaining power to invest in the state, capitalists are inherently influential in the design and implementation of state policy. The economy of a state in a capitalist system depends heavily on private investment. Capitalists are able to exploit this dependence to influence state managers' decisions through campaign contributions, lobbying activities, and favors. Thus, state officials are directly interested in using state power to facilitate investment and are conversely discouraged from implementing policies that could potentially decrease investment. If anything, globalization increases the power of capital in their negotiations with government by increasing the threat of industry exit. Local governments can be forced to concede on issues as corporations threaten to move their factory offshore.

This entrepreneurial stance of the city is not a new phenomenon, however neoliberal globalization intensifies this relationship between capital and government. Furthermore, this relationship between capitalists and government officials, as well as the role of the state, directly affects development at the local



level. When local governments depend on tax revenues, abandoned buildings, poor public infrastructure, and retreat of businesses from a center city affect the fiscal health of the city as property values and tax revenues fall. Government officials can use redevelopment of downtowns as a tool to attract industry, raise property values, and generate greater tax revenues. Government is also the vehicle through which zoning laws, subsidies, and building boards emerge, further deepening the relationship between capitalists and government as these policies and organizations directly influence development. Thus, government officials play increasingly important roles in growth machine processes, arguably more important with globalized deindustrialization. Public-private partnerships abound, as do the donation of land, tax moratoria, and urban services to entice developments that promise growth and jobs. The larger the project, the more likely it will be that public funds will play some role in its creation.

With deindustrialization, and the subsequent diminishing of manufacturing as a tax base for US cities, local government officials embrace shopping malls and development not only as a source of revitalization and growth, but as a source of revenue. Sub-national governments increasingly become entrepreneurs, committing themselves to public-private partnerships that unite the expertise and management skills of industry with the resources and risk bearing capacity of government (Eisinger 1990). The state seeks to enhance the market by discovering and creating market opportunities for private partners, offering subsidies, incentive packages, and tax breaks to recruit new enterprises.

Theory tells us that the push to become entrepreneurs creates competition between cities as they struggle to recruit and maintain revenue-creating industries. In times of declining tax revenues, government becomes an important actor in the urban growth machine because of this dependence on economic activity. Government in Knoxville is involved in designing projects, creating tax subsidies, changing zoning and building codes, and promoting development projects. The governments of the City of Knoxville, the Town of Farragut, Knox County, and Oak Ridge create coalitions with each other and with different developers and growth advocates to face pressures of globalization and deindustrialization. The relationship between government and industry is examined in latter chapters.

#### *Use and Exchange Values- Growth Machine Theory*

Growth machine theory is a dominant theory in urban sociology. Logan and Molotch (1987) argue that there is a basic conflict at the foundation of how urbanites use space and whether they prioritize use value or exchange value. To understand the contradiction in the use and exchange value, Logan and Molotch offer the following example:

An apartment building, for example, provides a "home" for residents (use value) while at the same time generating rent for the owners (exchange value). Individuals and groups differ on which aspect (use or exchange) is most crucial to their own lives. The sharpest contrast is between residents, who use place to satisfy essential needs of life, and entrepreneurs, who strive for financial return, ordinarily achieved by intensifying the use to which their property is put. . . . the

simultaneous push for both goals is inherently contradictory and a continuing source of tension, conflict, and irrational settlements.

(Logan and Molotch, 1987:5).

The growth machine is comprised of entrepreneurs, pro-growth associations, and government actors that strive to increase exchange values by developing or redeveloping the use of urban space to generate profit. Instead of urban development being the result of decisions made by individuals or factions of elite groups, growth machine theory recognizes the exercise of power by competing groups of elites that are often united by agreement on the value of growth and development, but may disagree on what that growth looks like. From the growth machine perspective, growth, whatever forms it takes, is good. Growth most often indicates a shift towards exchange value which can generate profit.

Throughout history, growth machines sought to maximize exchange value by controlling natural resources, labor, and capital. Today, the growth machine remains an important force in modern cities, but Logan and Molotch argue that it "is less personalized, with fewer local heroes, and becomes instead a multifaceted matrix of important social institutions pressing along complementary lines" (1987:58).

Despite their focus on institutions, Logan and Molotch recognize that powerful actors play important roles within growth coalitions. The organization of the growth coalition is comprised of various groups, interests, and individuals. Business often works in partnership with government officials, supporting politicians through substantial campaign contributions, but business sets the

agenda for urban growth. Monopolistic enterprises are often key players within the growth machine. This can include businesses such as local utility companies that, because they have already saturated the city limits, can only increase profits through further growth (Logan and Molotch, 1987). Growth thus supplies the unifying concept for business, government, and other actors who focus largely on the exchange value of urban space.

Ideology and culture are used as tools in the growth machine process to bring the community together under a banner of growth (Boyle 1999; Cox 1999; Logan and Molotch 1987). Value-free development, as articulated by pro-growth coalitions, connects growth goals and greater quality of life for community members while usually deemphasizing the contradiction between growth and exchange goals (Logan and Molotch, 1987). Coalition members present growth as unambiguously positive because it creates new jobs, expands the tax base, and promotes a healthy economy. Growth machines also try to create community solidarity as an ideological strategy by boosting civic pride. This unites community members and simultaneously provides the opportunity for a "growth machine coalition [to] mobilize these cultural motivations, legitimize them, and channel them into activities that are consistent with growth goals" (Logan and Molotch, 1987: 62).

Language can also be instrumental to growth machine processes because the "power of machine language to shape everyday social life . . . enables growth discourses to gain normalcy" (Jones and Wilson 1999). City slogans, billboards,

advertisements, and commercials celebrate value-free development as they promote business, progress, culture, hard work, and plenty of play. Tactics by growth advocates use public art and street furniture, heritage, and even inscriptions in the built fabric of the city to sell the public on the positive character and outcomes of growth (Boyle 1999).

Further work on growth machine theory both expanded and simplified the concept. Molotch's (1993) defense of growth machines added much to the original theory, arguing that changing structures of cities lead to changes in the structure of the growth machine. The culture of the growth machine becomes more important, as has competition among localities, and the increase in outside consultants. Finally, Molotch argues that the growth machine model grew out of the United States urban experience that focuses on land and buildings as commodities with few cultural or state policy constraints (Molotch 1993).

Other recent research focuses on how changes in the United States will cause changes or challenges in the model of the growth machine. Troutman (2004) argues that the use of value free growth ideology is more complex than Logan and Molotch originally postulated. The pervasiveness of value-free ideology is highly variable and the rhetoric is often contradictory. Schneider (1993) explores what he calls the missing link between the promises of growth machine ideology and fiscal growth in communities. He argues that the flow of fiscal benefits slows and produces a growing dissatisfaction with the growth machines. Schneider and Teske (1993) examine anti-growth movements and emphasize the activity of anti-

growth entrepreneurs as a reaction against growth machine developments. Clark, Green, and Grenell (2001) analyze the impact of globalization on urban economies and governance. Although processes of globalization exacerbate unequal development, Clark and colleagues argue that globalization might push cities to adopt a new, more progressive development model.

Growth machine analysis remains an important tool for understanding urban processes and development. Gendron and Domhoff (2009) conduct a study of Santa Cruz, CA to compare theories of urban power. They conclude that of the four theories they studied (public choice theory, urban Marxist theory, growth coalition/machine theory, and regime theory), growth coalition/machine analysis remains the most useful for examining power structures and the development process of cities. Others find it important to revise growth machine theory given globalization. For example, Clark, Green, and Grenell (2001) argue that globalization has the ability to diminish some of the negative aspects of the corporate growth machine on cities. They argue that the increased mobility of capital and information allows for local businesses to make connections with foreign firms, strengthening their ability to compete in markets. Kirkpatrick and Smith (2011) outline the need for the growth machine to secure the infrastructural preconditions for urban growth. They argue that under neoliberalism, local government and growth advocates have had to work together to develop urban infrastructure for development projects.

### *Circuits of Capital*

David Harvey's (1985; 1989; 2003) study of capital, space, and time is built on Marx's analysis of capital, and focuses on use and exchange value, as well the crisis of capitalism in the form of overaccumulation and underconsumption. Although the process of urbanization entails many things, at the core it "implies the creation of material physical infrastructure for production, circulation, exchange, and consumption" (Harvey 1985:14). Harvey offers a theory, reformulated from Marx, to explain the three circuits of capital that work within the capitalist system of production and accumulation

#### *The Primary Circuit of Capital*

At the most basic level, capitalism is driven by the creation of surplus value. The primary circuit of capital focuses on the processes and contradiction that exists within one-time period. Surplus value can be created either through extending the hours of the workday (absolute surplus value) or increasing the productivity of workers (relative surplus value) through innovations in technology and organization. "The motor for these continuous revolutions in the work process, for the rising productivity of labor, lies in capitalist competition as each capitalist seeks excess profit by adopting a production technique superior to the social average" (Harvey 1985:4). Individual capitalists, driven by competition for profit, can often act in a way that disrupts the interests of the capitalist class as a whole. This is an inherent contradiction in capitalism and produces overaccumulation. Harvey offers four consequences of overaccumulation:

1. Overproduction of commodities- a glut on the market
  2. Falling rates of profit
  3. Surplus capital, which can be manifest either as idle productive capacity or as money capital lacking opportunities for profitable employment.
  4. Surplus labor and/or a rising rate of exploitation of labor power.
- (Harvey 1985: 6)

### *The Secondary Circuit of Capital*

The secondary circuit of capital focuses on the processes and contradictions of capital accumulation when examined over many time periods. It is concerned with fixed capital and a consumption fund. Fixed capital refers to the items that are produced to facilitate the production process. Fixed capital takes two forms: the first being items that are enclosed within the production process, i.e. machines used in production, and the second being structures built to hold the production capital, or the built environment for capital. Industrial factories and manufacturing centers are common examples of built environments for production. A consumption fund arises out of items that are produced to function as aids to the consumption process. The consumption fund also takes two forms, first as produced items such as consumer durables, i.e. washing machines and ovens, and second as the built environment for consumption, i.e. houses, sidewalks, etc.

One temporary solution for overaccumulation in the primary circuit of capital is to convert surplus capital and labor into the secondary circuit of capital, but this solution is not often employed. Projects in the secondary circuit, especially built



environments for consumption, are often large-scale, long lasting, and expensive. Most often, "individual capitalists tend to overaccumulate in the primary circuit and underinvest in the secondary circuit" (Harvey 1985:7). Financial and government institutions are often the mediating force in capital flow between the primary and secondary circuit of capital, creating fictitious capital, i.e. credit system and subsidies, for investment in the secondary circuit.

### *The Tertiary Circuit of Capital*

The tertiary circuit of capital refers to investments in science, technology, research, and social expenditures. Social expenditures refer primarily to investments, such as education and health care, which improve the quality of the labor force. The state often acts as the mediator for capital flow in the tertiary circuit of capital. Although needed for a strong labor force for further accumulation, individual capitalists are often reluctant to invest in this circuit, primarily because immediate fiscal returns are limited.

### *Crisis, Contradictions, and the Urbanization of Capital*

The crisis and inner contradictions of capitalism within the three circuits of capital create uneven development and instability. A change in location is almost always necessary in the exchange of goods and services, creating a distinct geography of economic interaction. Territorial and spatial divisions of labor arise out of these interactions to produce uneven development. Competition compels each capitalist to seek out locations or reorganize labor to either lower costs or

raise profits. These “processes of capital accumulation are seen as perpetually expansionary and therefore permanently disruptive of any tendency towards equilibrium” (Harvey 2003:95). Innovations in communication, transportation, and technology create instability within the space economy of capitalism through alteration of spatiality. Globalization can be further conceptualized so that “the evolution of the geographical landscape of capitalist activity is driven remorselessly by round after round of space-time compression” (Harvey 2003: 98).

Harvey offers a theory of spatio-temporal fix to explain the crisis of capital overaccumulation. Spatio-temporal fix has a double meaning. Taken literally, it means that certain aspects of capital are literally fixed on or in the land. Taken metaphorically, spatio-temporal fix explains a solution for overaccumulation through temporal deferral and geographical expansion. The inner contradictions of capital accumulation are apparent in the inherent need for capital to constantly expand and the reality that actual capital is “fixed” in the land. In the urban process, this has severe consequences. If capital moves, it leaves behind devastation and devaluation. If capital stays, it devalues the overaccumulated capital through deflation, recession, or depression. One possible outcome of this is what Harvey calls the “switching crisis”, in which new spatio-temporal fixes open up, absorbing surplus values in the secondary circuit on an episodic basis. The system as a whole remains stable, but certain locations periodically experience difficulties.

This crisis has significant consequences for the process of urbanization. Capital can be switched from the primary circuit to either the secondary or tertiary

circuit to alleviate overaccumulation. When capital is moved into the secondary circuit in the form of fixed capital or built environments either for consumption of production, the structures erected are appropriate functions of the process for only a particular time. Invariably, innovations in technology, transport, and communications render the structures obsolete after time.

Capitalist development has therefore to negotiate a knife-edge path between preserving the exchange values of past capital investments in the built environment and destroying the value of these investments in order to open up fresh room for accumulation. Under capitalism there is, then, a perpetual struggle in which capital builds a physical landscape appropriate to its own condition at a particular moment in time, only to destroy it. . . . The temporal ebb and flow of investment in the built environment can only be understood in terms of such a process. The effects of the internal contradictions of capitalism, when projected into the specific context of fixed and immobile investment in the built environment, are thus writ large in the historical geography of the landscape that results. (Harvey 1985:25)

### **Changing Economic Structures**

#### *Manufacturing and High-Tech Services*

Cities' needs for development increase, especially as sites of consumption and subsequent taxation, as manufacturing bases declined in many U.S. cities (Bluestone and Harrison 1982; Harrison and Bluestone 1988). In the 1970s, as innovations in technology, communications, and transportation increased at astounding rates, cities were pressured to be more competitive in the global market

or risk massive devaluation of fixed capital and built environments (Harvey 1989). Cities attempt to create an ideal business climate to attract new business and industry by taking an entrepreneurial stance to create culture and consumption centers. One way cities attempt to accomplish this is by renovating and rejuvenating the center city to make it appear more attractive to businesses, new residents, and tourists. As manufacturing and industrial production move out of urban centers, cities often switch from a production to a consumption-based economy (Turner 2002). Cities, faced with low tax revenue because of falling property taxes, will employ adaptive reuse strategies to make their central business districts appealing capitalists, community members, and tourists.

Our understanding of the larger forces of capitalist globalization that drive the development of global cities can be used to gain a better insight to the development strategies and processes in smaller cities. Financialization, deindustrialization and increasing service economies, and the concentration of these processes in urban centers have deep impacts on local growth machines in smaller cities and towns. Some theorists argue that these processes lead to dependency of regional centers on foreign capital. Perry (1987) argues that for regional centers to break the bonds of dependency on foreign capital, they must reinvest capital and resources into local businesses, entrepreneurs, and services.

### *Tourism and the Entertainment City*

Sassen and Roost argue that cities, especially global cities, are centers for finance and business services, as well as the “strategic sites for the coordination

of global entertainment conglomerates” (1999). Large cities such as New York and Los Angeles are often thought of as cultural capitals of the world. Not only do they produce entertainment, they also give consumers a new form of urban tourism. This new form of tourism focuses on media, but also the city itself manifesting in the creation of the city as a theme park. Sassen and Roost highlight how the redevelopment of New York City’s Time Square, whose key investor is the Walt Disney Company, is anchored with the huge Sony entertainment complex.

Law (1999) delineates four factors that propel cities to adopt tourism development programs. First, we witness the decline in manufacturing in metropolitan areas across the nation. This leads to the second factor, the need to create new economic industries or face high levels of unemployment. Third, on the whole, city planners and politicians see tourism as a growth industry. Finally, city planners hope tourism developments will revitalize the city centers.

Smaller cities like Knoxville are not hubs of culture or entertainment like Sassen’s global cities, but they are pursuing tourism and other types of entertainments. They do this to encourage consumption by community members, but also to draw in regional tourists to the city. Persky and Wiewel argue that as economic networks go global “the economies of large metropolitan areas in the United States are more locally oriented than ever” (1994). Chang and colleagues (1996) emphasize that although tourism literature often depicts large, global forces as playing more influential roles in the pace and form of tourism development than

local actors, increasingly analysts are highlighting the importance of local actors and structures.

## **Changing Urban Structures**

### *Suburbanization*

Suburbanization in the United States is a complicated process involving a variety of economic changes, social pressures, push and pull factors, and government mandates. At the core, suburbs can be broadly defined as;

The municipalities and places in metropolitan areas outside of the political boundaries of the large central cities. Suburban communities differ from central cities in the presence of sprawling, low-density land use, the absence of a central, downtown district, and the existence of a politically fragmented local government. They differ from rural areas in that the economic activities of suburban residents and businesses are primarily in manufacturing and services, rather than in agriculture (Baldassare 1992: 476).

A sort of utopian image of the suburb often dominates public perception of this urban configuration. Muller (1981) traces this ideal notion of suburbanization to the Jeffersonian philosophy that rural life provides the best opportunity for living without sin, creating a democratic community based on personal interaction, and maintaining local control of government. The antithesis of this ideal is then cities—home of social disorder, corruption, and vice. Although modern suburbs are anything but rural, a version of this romantic idealization of suburban life still persists.

The history of suburbs in the United States is roughly split into four primary eras (Baldassare 1992). The first era is defined by the pre-industrialism of the nineteenth century and consisted of a few scarcely populated suburbs, or small towns, in which only landed gentry or transport workers lived in or traveled through. The second era witnessed the transition into the early urban-industrial era in the twentieth century that proved a critical time in the evolution of suburbs. Although the populations of suburbs remained relatively small, increasing use of automobile and commuter rail provided more opportunities for people to move out of urban centers into "bedroom communities" (Baldassare 1992: 477). These communities were fairly homogenous as racism and segregation allowed for only white residents to purchase homes in the newly built subdivisions. Freund (2006) details how after World War II, the federal government created mortgage incentives that denied access to most racial minorities. Many of these mortgages were used to purchase new homes in the recently built suburbs, creating restricted, or white-only, neighborhoods.

The rate of suburbanization began to increase and with it came the romanticism similar to the rural utopia of Jeffersonian philosophy.

Those early suburbs also captured the general public's imagination and were often spoken of in almost utopian terms by urban planners, politicians, and private developers. Their presumed benefits included urban decongestion, lower residential densities, greater separation from the city's business district and, importantly, homeownership. These early suburbs became the public's ideal for future suburban developments (Baldassare 1992: 477).

The massive increase of automobile use, formation of highways, and rapid increase of suburbanization in the 1950s and 1960s gave rise to the late urban-industrial era. The growth rate of suburbs increased dramatically as central city workers moved to the suburbs and commuted back for work. Baldassare argues that the metropolitan era of the suburb began in the early 1970s and is based on the relative domination of suburbs in American society. In 2000, 50 percent of American society lived in suburbs.

Gottdiener (1994) documents how economic and social restructuring of cities was a result of the shifts from manufacturing to service industries, shifts in ethnic composition, and uneven development. These processes, along with push and pull factors promoted massive suburbanization. Government was directly involved in developing the land outside the large cities, changes in tax policies, the home mortgage subsidy, and the construction of the national system of highways.

#### *The Suburbanization of Retail*

Before the late industrial era of suburbanization, retail centers were most commonly located in the downtown or in the core of a residential community, where city residents would travel to purchase their consumer needs. As suburbanization began to increase, developers of retail centers began an aggressive campaign to reach the new communities, with residents that "had higher median incomes and homeownership rates, as well as more children fourteen and under than the rest of the metropolitan population, all indicators of high consumption" (Cohen 1996).



Retail deconcentration took two forms during the period of 1945 to 1970 (Muller 1981). The consequent stage of retail deconcentration occurred from 1945 to 1960 as shopping centers slowly began moving into the newer suburban areas. These shopping centers first avoided moving to locations in close proximity to competitors, but developers realized the comparative advantages of large centers with various competing stores. Mimicking the development plan of downtown centers, developers realized it was more advantageous to meet competition "head-on" rather than dividing the local market (Muller 1981:123). Regional shopping centers became the normal development plan throughout the 1960s and 1970s, marking the catalytic stage of retail deconcentration. In this stage, developers recognize the ever increasing economic potential of these new suburban communities and adopt aggressive development strategies to move into these new markets.

Designed to satisfy both consumption and social needs of a suburban population, these regional shopping centers were heavily promoted and built by commercial developers. These retail centers intended to, if not replace downtown centers, at least supplement them as normal consumption and service venues of middle class members.

As retail dollars moved out of major cities and away from established downtowns within the suburban areas, regional shopping centers became the distinctive public space of the postwar landscape. Suburban populations increasingly looked to the mall for a new kind of community life- consumption oriented, tightly controlled, and

aimed at citizen-consumers who were preferably white and middle class (Cohen 1996: 1068).

In the 1970s and 1980s, bigger was seen as better and these retail centers gave rise to the super-regional shopping mall. In addition to size, there was a subtle shift in emphasis from primarily consumption of goods to consumption of a variety of services (Muller 1981). Cohen (1996) argues that the early suburban retail centers of the 1950s were already specifically designed to provide a variety of services beyond retail consumption, but what is important is that retail developers hoping to capitalize on suburbanization attempt to restructure community and social life around retail centers.

These all-purpose super-regional centers that became a cultural norm in the 1970s and 1980s created a new kind of community where consumers could shop, dine, be entertained, and gather in a social setting. Muller likens them to "a movie stage or Disney theme park, a manufactured and manipulated environment in which only the best features of metropolitan life are retained while everything negative is filtered out" (Muller 1981:126).

In response to increasing cost of land and construction, high-energy use, and new regulations of the Environmental Protection Agency, local governments and retail developers adopted new strategies for shopping centers in the 1980s. Size of the new developments decreased, while stores became more specialized target specific socioeconomic classes. Smaller and more intimate shopping centers became the normal development strategy of retailers. More recently,

suburban shopping developments grew in size and scope, but this will be examined in a later chapter.

### *Gentrification*

Gentrification is a strategy that is often led by government and corporate actors. It permeates urban planning and is aggressively pursued as the savior of cities. Neil Smith argues that “the crucial point about gentrification is that it involves not only a social change but also, at the neighborhood scale, a physical change in the housing stock and an economic change in the land and housing markets” (Smith 1987). Smith underscores that it is these connections of social, physical, and economic spheres that distinguish gentrification as a distinct process or set of processes. Stated briefly, gentrification involves the conversion of lower-class or marginalized neighborhoods in center cities to middle- to upper-income residential areas. The process itself is simple to define, however, the issues involved are intricately complex. Zukin (1987) highlights several of the issues surrounding gentrification: historic preservation, displacement, and economic restructuring. Furthermore, there is great disagreement on the emergence, prevalence, and consequences of gentrification.

Boosters<sup>5</sup> proclaim gentrification as the answer to a host of economic and social ills, but critics argue that it often harms the lower class members that are displaced through the process. The research about displacement is often split.

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<sup>5</sup> Urban boosters consist of developers, media, government officials, and community leaders who espouse growth and development for supposed economic gains.

Newman and Wyly (2006) argue that research often underestimates displacement and instead focuses on the proposed benefits, but Freeman and Braconi (2004) found that neighborhood gentrification in New York City were associated with lower rates of departure for lower-income disadvantaged residents. Newman and Wyly agree that although Freeman and Braconi are correct in asserting that not all lower-income, disadvantaged residents are displaced, there are serious consequences that are often overshadowed or overlooked.

Smith (2002) delineates some of the processes of gentrification in a globalized world. He argues that gentrification itself changed since Ruth Glass first introduced the term in 1964. Glass's gentrification was a "marginal oddity in the Islington housing market- a quaint urban sport of the hipper professional classes unafraid to rub shoulders with the unwashed masses" (Smith 2002: 439). Now, gentrification is a strategy that is often led by government and corporate actors. It permeates urban planning and it aggressively pursued as the savior of cities.

Smith argues that the language of gentrification itself also changed, and within this change it is evident how dramatically gentrification changed in the last forty years. First, urban planners and city officials moved away from the concept of gentrification and instead articulate this urban strategy as urban renaissance or urban regeneration. The processes of gentrification and the increasing privatization of inner-city land and housing markets create a system in which the actors, scale, and policy are changed. Ruth Glass coined the term gentrification in 1951, but Glass's gentrification was led by the middle and upper class and it was

an oddity that sporadically popped up in neighborhoods. Today, it is primarily driven by corporate and government actors and is systematically planned out and pushed by public-private partnerships. Gentrification is also not limited to large global cities, but becomes a common process in small and middle-sized cities as well.

Smith (2002) outlines five characteristics inherent in any generalized analysis of the transformation of gentrification witnessed in the last few decades. First, the earliest forms of gentrification relied primarily on public financing, but the 1980s marked the withdraw of the state from redevelopment strategies. This changed again in the 1990s, as the local state became an important actor in the gentrification process. The creation of private-public partnerships intensified dramatically as governments sought redevelopment projects as an answer to fiscal stress.

Urban policy no longer aspires to guide or regulate the direction of economic growth so much as to fit itself to the grooves already established by the market in search of the highest returns, either directly or in terms of tax receipts (Smith 2002: 94).

Second, global capital is increasingly penetrating development strategies and processes in urban centers. Large mega-projects are often built with global capital, but so too are smaller, more modest types of development projects. Smith's third characteristic of globalized gentrification centers on opposition and political response. Concerns over the rise of the homeless, the increasing cost of

housing, and the displacement of the poor gained enough momentum in some cities to stall gentrification processes. Because of the increasing strength of the relationship between capital and government, politicians began justifying revanchist policies by arguing that policies such as New York's "zero-tolerance" of street people were adopted to increase public safety. This new revanchism marks strong changes in political opposition and response

Fourth, gentrification spreads outward from the center city. Smith notes that this is not a uniform or smooth process but urban districts outside the city center were caught up in the gentrification fever. Finally, despite the heavy involvement of government in redevelopment, especially in regards to large public subsidies, the increasing involvement of corporate actors in gentrification transforms the power relationships and practices characterized by gentrification. Because the earliest forms of gentrification were heavily dependent on public financing, the state had to address certain social concerns such as public housing. The shift to the public-private partnerships diminishes this responsibility and gentrification is much more ambitiously sought as the primary development project within cities. Furthermore, the newest form of gentrification entails much more than the simple redevelopment of housing for the middle and upper classes. It is defined by a complete restructuring of urban areas to integrate housing, entertainment, and business. Centers of consumption, these new gentrified areas, and the real estate industry that remains a driving force in this process are justified by increases in jobs, taxes, and tourism.

## **Conclusions**

Understanding the changes in political, economic, and urban structures in the United States can shed light on implications of globalization at a local level. The role of government and industry, the move from manufacturing to service based economies, and the increasing dual processes of suburbanization and gentrification are central to understanding local manifestations of globalization. The following chapter will provide a brief history of Knoxville, TN with specific emphasis on economic, political, and cultural structures.

## **CHAPTER THREE**

### **A BRIEF HISTORY OF KNOXVILLE<sup>6</sup>**

This chapter will give a selective history of Knoxville, Tennessee and some of the surrounding areas (See Figure 3.1), with specific emphasis on development, suburbanization, and retail processes. Not all stories can be told and not all individuals or organizations can be examined. Although the central research statement of this project focuses on current growth networks and development processes, these cannot be separated from past relations or from their material or ideological residues. This is why history is necessary in understanding contemporary conditions.

Without the linkage between Knoxville's history and present structures, many questions are left unanswered: Why were government officials and entrepreneurs so focused on redeveloping downtown? Why did downtown decline economically while Farragut thrived? Why were are some areas of Knoxville targeted for redevelopment? These are just a few questions that would be left unanswered if the story of Knoxville was not told. Tilly (1988) argues for the necessity of history in sociology stating that:

The linking idea is simple and powerful: past social relations and their residues – material, ideological, and otherwise – constrain present social relations, and consequently their residues as well. Once an employer has established ties with a particular source of labor, those

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<sup>6</sup> This chapter is adapted and updated from my Master's thesis (2007: 9-22).





Figure 3-1: East Tennessee and Knoxville  
Source: East Tennessee Economic Development Agency, 2016

ties affect his subsequent recruitment of labor, and may well reproduce themselves. Once developers have laid down a certain urban structure, that structure defines the opportunities for further development. Such processes produce connectedness within time and space that goes beyond simple temporal and spatial auto correlation; every existing structure stands in the place of many theoretically possible alternative structures, and its very existence affects the probabilities that the alternatives will ever come into being. In short, social processes are path-dependent. That is why history matters.

(Tilly 1988: 710)

This history focuses on four broad time periods. The first time period roughly begins with the founding of Knoxville in 1791 and ends around 1950. This story lays the foundation for the more recent development projects. The next time period runs from 1950 to 1969, in which there was a dramatic growth in suburbanization and subsequent decrease in center city development. The next time period, 1970 to 1989, marks a time that city government and business leaders devised several plans to redevelop both downtown Knoxville and its surrounding areas. Finally, the last period, from 1990 to the present, is very briefly examined as specific stories will be analyzed in later chapters.

### **The New South Turns Ugly, 1791 to 1949**

Founded in 1791, Knoxville grew to be one of the major cities of the South by the beginning of the twentieth century. According to Wheeler (2005):

Knoxville was more an Appalachian city than it ever was a southern one, a city that was a product—and beneficiary—of its region even as some of its citizens tried to free themselves from its forces. Thus Knoxville was—and in some ways is—a product of the struggle between innovators and traditionalists, between those who embraced change and those who were threatened by it (2005:2).

Before the Civil War, Knoxville was primarily a town where travelers passed through in search of better opportunities. The elite were primarily homogenous in class and tradition, consisting mostly of merchants, professionals, and owners of large tracts of real estate. Neither the land nor the economic structure supported large plantations, and therefore there were few slaves owned by large landowners. Most of the slaves in East Tennessee were primarily house servants or skilled craftspeople who worked alongside their masters (Creekmore 1958). By the beginning of the Civil War, Knoxville had a complex rail system that reached as far as New York, but traded primarily with other southern states. Wheeler suggests that because the bulk of the trading relied on other southern states, many elites in Knoxville had strong Confederacy sympathies (2005:4). Despite resistance by some East Tennessee leaders and residents, Tennessee voted for secession in 1861.

After the war, Knoxville began to rise in prominence as a major commercial center in the South. The complex rail system already in place played an important part of this growth, as did the many Northerners who moved to Knoxville to invest in the city. Cowan, McClung, and Company moved to Gay Street and in 1867, they

were Tennessee's largest taxpayer. The Haynes-Henson Shoe Company, nicknamed the "\$1 million shoe company," also moved to Gay Street in the late nineteenth century (National Register of Historic Places 1986). These entrepreneurs sought to capitalize on untapped resources, a large labor force, and unrealized capital by increasing the railroad system, urbanizing cities, and building industry. Knoxville seemed a perfect setting for these entrepreneurs to realize their dreams as rail system was already in place and there was an abundance of untapped natural resources including coal, iron, and marble. These newly planted entrepreneurs coalesced with the local elites to create a strong economic and political association with great potential to promote and direct growth. Freed slaves and Appalachian people moved to Knoxville during this time looking for opportunities in the fast growing economy, increasing the city population (Manning and Jamieson 1990).

By 1885, Knoxville was the fourth leading wholesaling center in the south behind only New Orleans, Atlanta, and Nashville. By 1896, it was the third. Knoxville also boasted a fast growing manufacturing industry. Between 1880 and 1887, 97 new factories were built, raising the annual value of goods manufactured from just over \$900,000 in 1870 to over six million in 1899. By early 1900, Knoxville was home to 40 companies distributing coal and the largest clothing-manufacturing center in the south. Manufacturing continued to grow and in 1905 manufactured goods had increased over 100 percent in just five years (Wheeler 2005:18).

Knoxville's population continued to grow as economic opportunities expanded, but by the beginning of the twentieth century there were indicators of coming difficulties. City boosters continued to sing the praises of Knoxville, but the social consequences of growth were escalating. As early as 1904, Knoxville's dirtiness could not be ignored as the use of coal in homes and factories created a grimy appearance and serious health problems. Knoxville lacked proper sewer systems or paved streets which kept the city muddy and rank with foul odor. In the early 1900s, manufacturers in downtown began to close, in large part because of their reluctance to upgrade machinery (National Register of Historic Places 1986).

With the extension of the streetcar lines, wealthier residents began moving away from the poverty and problems that plagued downtown to new and fashionable neighborhoods. Areas such as Fort Sanders, Looney's Bend (later renamed Sequoyah Hills), and Lonsdale became the preferred communities of the elite and working class white. White flight from the center city was startling in the early twentieth century. The oldest wards of Knoxville experienced a dramatic decline in white population from 1920 to 1930; Ward Five, located in the heart of downtown, witnessed a 77.88 percent decline of the white population in this time period. Western wards such as Ward 24, home to Sequoyah Hills, experienced dramatic increases in population as high as 161.55 percent (Wheeler 2005).

The economy of Knoxville and specifically downtown could not withstand the downturn of the national economy and the Depression. Knoxville had six national banks in 1920, but by 1932, three of those banks had failed and the other

three had been bought in mergers (National Register of Historic Places 1986). City residents were not the only ones to notice the problems of Knoxville. Odette Keun, a famous Belgian novelist and longtime lover of *The War of the Worlds* author H.G. Wells, visited Knoxville in the mid 1930s to research the newly formed Tennessee Valley Authority (TVA). Although she praised TVA and Tennessee in general, she called Knoxville "one of the ugliest, dirtiest, stuffiest, most unsanitary towns in the United States. I speak with feeling, for the summer and town combined have turned me into a haggard, desiccated old woman before my time" (Neely 2004).

After World War II, the national economy began to thrive again and Knoxville seemed to follow suit. By 1940, the growth of the Aluminum Company of America (Alcoa), the Tennessee Valley Authority (TVA), and the new city of Oak Ridge (See Figure 3.2) gave hope of a new economic base to Knoxville residents. As economic prosperity blossomed, redevelopment and beautification plans were promoted, transportation reforms began, the public housing authority formed, and a new airport was built. Statistically Knoxville was thriving, but the city center told a very different story. Elites continued to move farther away from the city center, leaving behind unemployment, crime, and dilapidated buildings.

Knoxville's dirtiness became infamous with Gunther's 1947 bestselling book, *Inside U.S.A.*, which documented his travels across the United States. Along with descriptions and stories of the towns and cities he visited, Gunther offered his opinion for the cleanest, most romantic, bawdiest, and, of course, the ugliest city in America. His description of Knoxville states that:

Knoxville is the ugliest city I ever saw in America, with the possible exception of some mill towns in New England. Its main street is called Gay Street; this seems to me to be a misnomer . . . Knoxville, an extremely puritanical town, serves no alcohol stronger than 3.6 percent beer, and its most dignified taprooms close at 9:30 P.M.; Sunday movies are forbidden, and there is no Sunday baseball. Perhaps as a result, it is one of the least orderly cities in the South-Knoxville leads every other town in Tennessee in homicides, automobile thefts, and larceny (1947).

### *The Secret City*

Oak Ridge's past and future are intertwined with the City of Knoxville and the history of Oak Ridge is an important component of this story. On September 19, 1942, just two days after Leslie Groves was appointed as the commander of the Manhattan Project, Oak Ridge was named as the location for a nuclear development site. The project was given a three-year deadline to build an atomic weapon that could be used in the war. The intensity of the project and "the accomplishment in construction (have) been described as the equivalent of building a Panama Canal each year for three consecutive years" (Robinson 1950). East Tennessee was recognized early in the project's development as an almost ideal spot for the project. The area was very rural and isolated which was important for two reasons. First, the project was classified and Oak Ridge provided a location isolated enough that it would be relatively removed from the public's eye. Second, no one was completely sure what potential hazards and dangers the project would have and so they wanted to keep the facility removed from populous urban centers.

The name Oak Ridge was chosen because the site the city would be built on was named Black Oak Ridge and they believed that the rural association of the name might keep the public's curiosity at bay. Furthermore, Oak Ridge is located right outside the Emory and New River watersheds and surrounded by the Appalachian Mountains and the Cumberland Plateau which could further minimize dangers that the facility posed to the surrounding communities. In general, the South was considered favorable for its untapped, non-farm labor pool.

Oak Ridge would come to be the fifth largest city in Tennessee, yet would appear on no maps during that time. The government began buying the land in 1942 and the facility would eventually be approximately 17 miles long and seven miles wide. Most of the land was surrounded by barbed-wire fence and there were seven guarded entrances. Construction of the plant began in February of 1943 and was named Y-12. Everything about the plan was highly classified. When the Manhattan Engineer District (MED) began meeting with potential firms for designing the housing facilities, it was difficult to work with architects as they could not divulge much information. As Johnson and Jackson (1981) wrote:

The company (Skidmore, Owings, and Merrill) was cooperative and showed interest in the opportunity to develop a town. "What size," queried the company? The military became uneasy. "Plan for 13,000," said the Army, "and if it needs to be bigger you will be informed." "Where is the town to be located" "That information is classified," replied the army. "Just prepare the plans and if they look promising, details will be forthcoming." Of course the firm could not



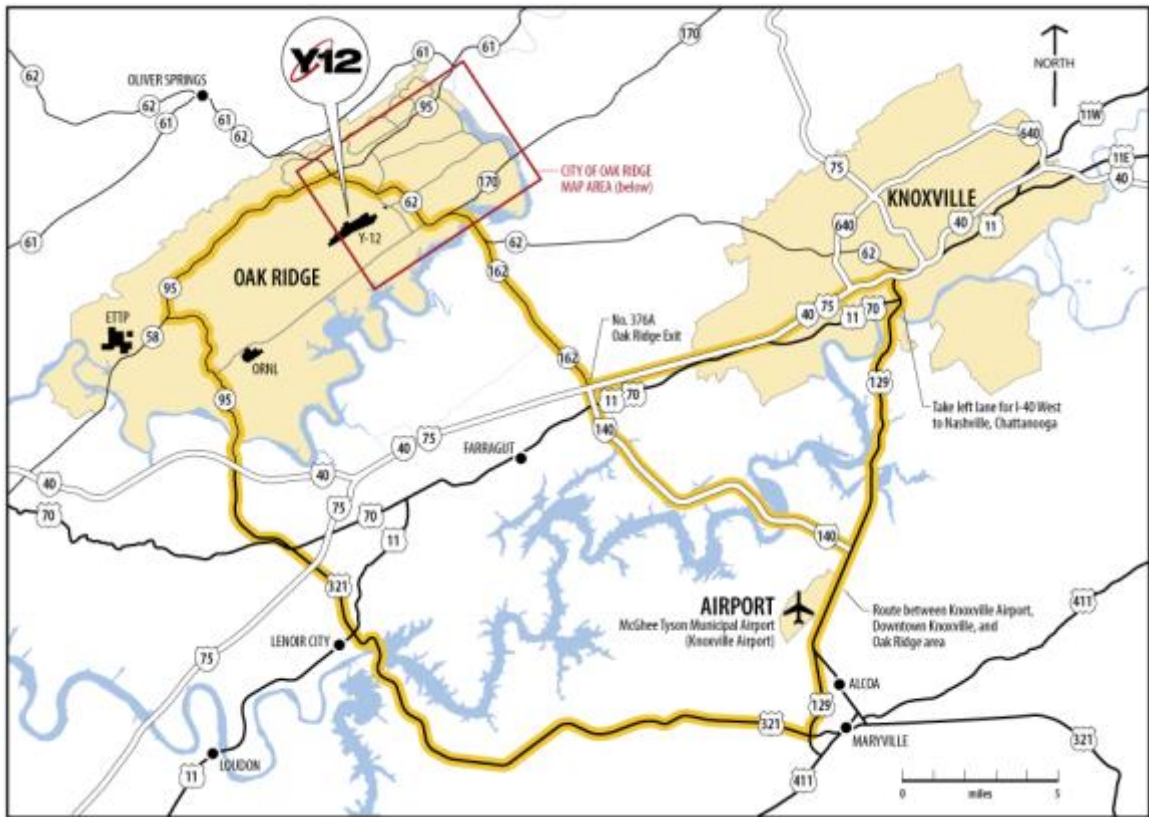


Figure 3-2: Oak Ridge- Knoxville Area  
 Source: Y12 National Security Complex, 2016

proceed at all without the information on terrain and topography. The Corps recognized this and so, grudgingly, provided a few aerial photographs as well as limited topographical maps, with all titles and names cut out. John Merrill returned with a preliminary design. The Army at least seemed pleased. "How soon could a site team visit the area," asked Merrill? "Immediately," said the Army and then promptly refused to divulge the team's destination. At length a compromise was reached. Six company architects, including Merrill, agreed to go to New York's Pennsylvania Station on a given day at a precise time. There they would be met by an MED representative who would then direct them aboard a train and provide tickets in sealed envelopes. Only once they were on the train could they open the envelopes and learn where they were going (Johnson and Jackson 1981: 14-15).

When construction of the city began, they anticipated about 13,000 residents. They designed several different residential units including dormitories, single-family houses, and hutments.<sup>7</sup> Initially, the facility would also include fifteen to twenty commercial stores. The first homes were completed in the summer of 1943 and almost immediately the expected population jumped up to 42,000 people, then again 1944 increased to 66,000. By the end of the project, the highest number of residents peaked at 75,000 and the number of employees at 82,000.

The secrecy behind the project dictated that most of the residents and workers did not know what the project was. They were told broadly that it essential

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<sup>7</sup> Many of the Manhattan Project's black workers lived in 16 by 16 packing crates called hutments. The hutments each had four unscreened and unglassed windows that could only be shut with solid wood panels (Waters 1946).

for the war effort, but that was the only information most employees received. On August 6, 1945 the bomb was dropped on Hiroshima, devastating the city: “Approximately 1.7 miles extending out one mile from ground zero were essentially cremated. Over 96 percent of the buildings in the city as a whole were destroyed or heavily damaged. Estimate of casualties by the Japanese was 71,000 dead or missing and 68,000 injured” (Johnson and Jackson 1981: 162).

The news of the bombing was broadcast first over the radio, meaning workers and employees found out about what they had built when their wives called to tell them. Reactions ranged from celebration to disappointment to anger to fear. This moment abruptly ended the secrecy surrounding Oak Ridge. Residents and workers were suddenly allowed to talk about their work and their life in the facility. Furthermore, this also began the slow process of transitioning the city from the Army’s control to the public’s hands. In March of 1949, Oak Ridge was opened to the public and in 1959 it was incorporated.

According to census data, Oak Ridge currently has a population of 29,000 of which 90 percent have a high school degree compared to 84 percent in Knoxville. 38 percent of the Oak Ridge population has a Bachelor’s degree or higher, compared to 29 percent of Knoxville. The Y-12 National Security complex remains an important industry in Oak Ridge. In 1990, Y-12 began sharing technology and expertise with private industries. Today, it is a hub of technological research and works with states across the nation.

### **White Flight and Downtown Blight, 1950 to 1969**

From 1940 to 1950, the center city remained depressed and growth was slow. Population in the City of Knoxville increased by only seven percent in this decade, but the population located outside the city in Knox County grew by 45.1 percent. The population of whites in the center city decreased by another 10.6 percent over this decade. Median household income in the center city was \$1,443, nearly \$1000 less than the average of the city as a whole (Wheeler 2005).

Although the physical dirtiness and crime of downtown played an important role in the increasing suburbanization of Knoxville, shifts in the economy throughout the 1950s and 1960s were equally damning. Between 1948 and 1960, the textile industry lost 3,000 jobs, 34.9 percent of total textile workers. The lumber industry lost over 800 jobs, 57.1 percent of the total lumber workers, in the 1950s. Industries such as Alcoa, which were once the hope of Knoxvillians, suffered as well. Alcoa reached its peak in 1940, employing 9,300 people, but by 1960, the number of employees dropped to 3,500. The unemployment rate in Knoxville, which was normally consistently higher than the national average, rose from 5.8 percent in 1951 to 9.7 percent in 1958. Strategies to attract new industries failed. Of the thirty-five separate firms that expressed interest in moving to Knoxville between 1956 and 1961, not one chose Knoxville as their home (Wheeler 2005). The main reasons given were cost and availability of industrial space and poor highway access.

By the 1950s, the nation as a whole was moving towards suburbanization and Knoxville was no exception. White, middle class residents had been migrating from the center city for decades, but with the growth of automobile use, bedroom communities began growing in size and numbers in the 1950s. Knoxville's government responded to these shifting demographic trends with a massive annexation in 1962. Many communities fought to block these efforts, but a 1959 Tennessee state legislation made it permissible for city councils to annex contiguous areas without holding a referendum. Suspecting that government officials of Knoxville were only interested in an expanding tax base and would not be able to provide needed services, the members of the Fountain City community held a mock funeral service for their community in 1962, as one local businessman presented then Knoxville mayor John Duncan with a sword of surrender (Wheeler 2005).

Retail also began suburbanizing in the 1950s. By 1960, there were ten large retail centers with an annual sales potential of \$15 million in suburban areas, primarily located in the north and west. And as the population increased in areas outside the center city, expanding as far as the Farragut-Concord area, twenty miles from downtown, suburban retail centers grew. Wealthier residents continued to avoid the city center and "what greeted those suburbanites who did venture downtown was a deteriorating city with poor automobile access, limited parking, smoke and coal ash, and growing slums" (Wheeler 2005:107). The physical problems of the center city were numerous and the relocation of the two anchors

of downtown retail, S.H. George Department Store and Miller's Department Store, further deteriorated the already damaged retail economy of the center city. In addition to the lack of parking, physical ugliness, and declining retail industry, the Interstate Highway Act of 1956 threatened the already weak structure of downtown's economy by increasing accessibility to suburban areas.

Determined to bring much needed change to the city center, downtown business leaders organized the Downtown Knoxville Association (DKA) in 1956. Although the initial projects of the DKA remained for the most part cosmetic and did little to boost downtown economically, by the 1970s significant improvements could be seen. The building of TVA's twin towers, the Summit Hill project, the new United American Bank building, and the Market Square Mall bolstered downtown's economy. Despite these improvements, wealthier Knoxville residents continued to avoid downtown and chose instead to shop in the new suburban centers.

### **From Scuffletown to the Sunsphere: 1970 to 1989**

Throughout the 1960s and 1970s, Knoxville's economic position improved as a national trend of both industries and people began moving toward mid-sized cities, increasing Knoxville's attractiveness. Unemployment shrank from 7.7 percent in 1961 to 2.8 percent in 1965 and remained under four percent in 1970. But the improved conditions of the city as a whole did not spill over to downtown. In 1972, West Town Mall was built in the Bearden area with 600,000 sq. ft. of gross leasable area (GLA) and ten new movie theaters opened in the western suburbs. Knoxville residents continued to choose these suburban developments and retail

centers over their downtown counterparts. By 1978, every movie theatre in downtown had closed, the majority of restaurants suffered, and specialty shops began pulling out. Once again, government officials and the business elite began searching for a way to revitalize downtown.

Decreasing federal and state funds coupled with growing inflation threatened the fiscal health of the city. As dependence on the automobile continued to increase, streets and parking lots could not meet the increased flow of traffic. The dilapidated downtown drew little revenue and taxes, further burdening the fiscal health of the city. Developers and business owners began promoting redevelopment of the center city as the answer to the city's economic problems, arguing that such revitalization would stimulate further growth.

In 1976, a solution was presented by a group of entrepreneurs and government officials. Led primarily by Kyle Testerman and businessman Jake Butcher, the Knoxville International Energy Exposition, Incorporated was formed to attract a World's Fair. This was to be the answer to their downtown development problems. The site for this fair would be the seventy-acre tract of land that ran south of Western Avenue to the Tennessee River, formerly known as Scuffletown. This area was home to slums and dilapidated houses, although most were torn down by 1972. This site was chosen because it lay between the university and downtown, and if redeveloped, the advocates argued that it could provide the jump-start downtown needed.

Propaganda promoting the World's Fair began in 1976 and the claims of forthcoming benefits to the city of Knoxville were astounding. In 1977, the director for Knoxville's Community Development Corporation (KCDC) spoke at a meeting of the Clean Environment Council and declared that restoration of Knoxville's Second Creek, a dirty creek clogged with trash that ran along the proposed site, would be one of the great benefits of the World's Fair. Another benefit if the Expo came to Knoxville would be the creation of jobs. The original projection was the creation of 5,000 jobs, most of which would be temporary. This number quickly increased to 10,800 jobs with a fifth of those permanent positions, to 37,000 jobs of which almost half were permanent (Dodd 1988). Other benefits promoted were increased academic excellence for the university, resurrection of the inner city, improved highways, innovations in energy efficiency, and the opportunity for planned growth. Boosters even declared that all of these benefits would come at no cost to the city and then "(Then) Mayor Randy Tyree, always able to go one better, was boldly to proclaim that Expo would not even involve any risk for the city and its taxpayers" (Dodd 1987: 9).

Although the claims of the boosters described a utopian Knoxville with the hosting of a World's Fair, citizens were far from convinced. Public opinion polls conducted by The University of Tennessee (UT) in 1977, 1978, and 1979 showed that an absolute majority of citizens were opposed to hosting a World's Fair. Despite the 84 percent of citizens polled by UT who favored a vote and the 14,000 signatures of registered city voters gathered by Citizens for a Better Knoxville for



a referendum, no vote ever took place (Dodd 1987). Concerns of the opposing citizens included actual fiscal cost to the city, despite boosters claims of no risk and no cost; the social impact of visitors numbering as high as 100,000 a day; and the shift of concentration of already limited city resources from center-city neighborhoods to the exposition. Furthermore, although the proposed site for the Expo did contain many abandoned and dilapidated buildings, it also contained two modern medical facilities that served the inner-city residents, two tire retailers, and a new veterinary hospital.

By the end, eighty million dollars of public money and known public expenditures were pumped into the World's Fair site and surrounding areas (Dodd 1987:6). The goal was to use the World's Fair to try and jumpstart the revitalization of downtown by linking the University of Tennessee to downtown through the park area (See Figure 3.3). Hotels were built, the interstate expanded, and the site of the fair itself was left in the city's hands after the fair closed. Although the underlying purpose of the 1982 World's Fair was the rejuvenation of downtown, when the fair closed, no one seemed to agree with what should be done with the land. Condominiums or a public park were suggested, but consensus was never reached. As downtown development plans were discussed often but with little results, growth and development increased in the outskirts of town, culminating in the town of Farragut.

### **From Gay Street to Turkey Creek: 1990 to the Present**

The town of Farragut, located at the western fringe of the city of Knoxville, was incorporated in 1981 and remains a popular suburban residential destination for the middle and upper class. Farragut residents have much higher median incomes and higher education levels (see Figure 3.4 and Table 3.1). 97.1 percent of Farragut residents 25 years or older hold a high school diploma and 58 percent have a bachelor's degree, almost double the average of college-educated residents of Knoxville. Furthermore, only 3.1 percent of individuals in Farragut fall below the poverty line, compared to 36.7 percent of downtown individuals and 23.4 percent of Knoxville residents. The residents of Farragut have much higher median household incomes, \$94,848 compared to downtown residents \$24,413. Farragut residents are more likely to be married, have a bachelor's degree or higher, and be employed. (U.S. Census Bureau 2010 and American Community Survey 2006-2010).

While Farragut was growing in population and development, downtown development plans remained stagnant. Although several plans were imagined and offered, none came to fruition. Plans such as Renaissance Knoxville, that included a shopping mall, office tower, amphitheater, Cineplex, and hotel; and Universe Knoxville, a planetarium and educational center, were never adopted. Although these large-scale plans never made it past the drawing room, several small entrepreneurs and professionals began building their own downtown.

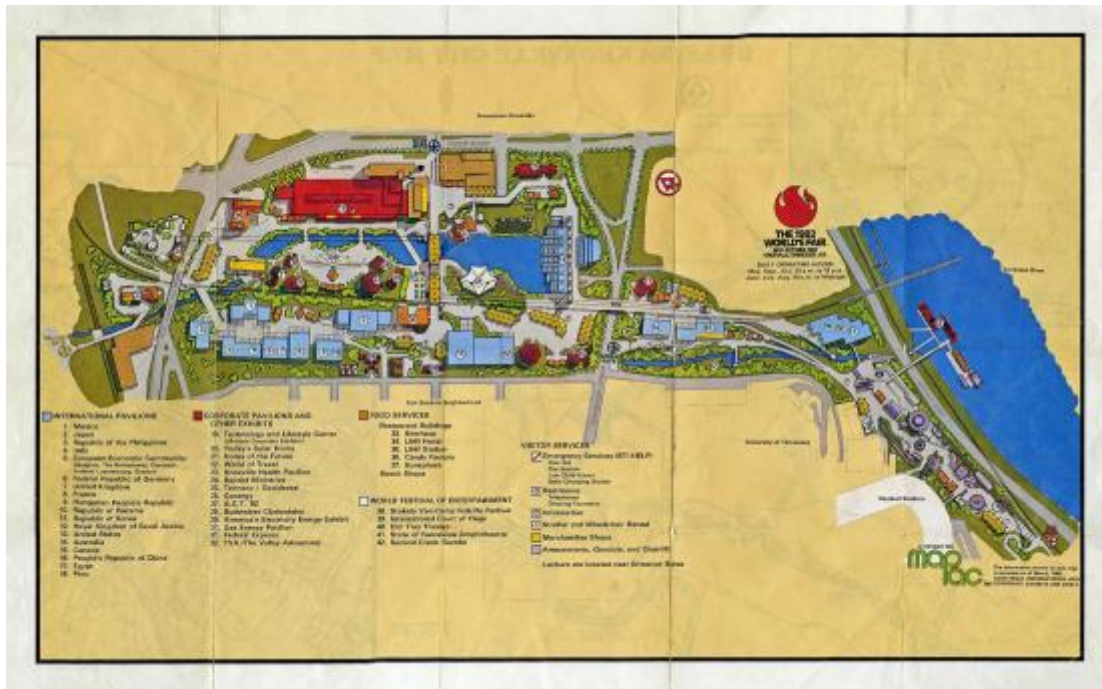


Figure 3-3: 1982 World's Fair Map (Knoxville, TN)

Source: Theme Park Brochures, 2016

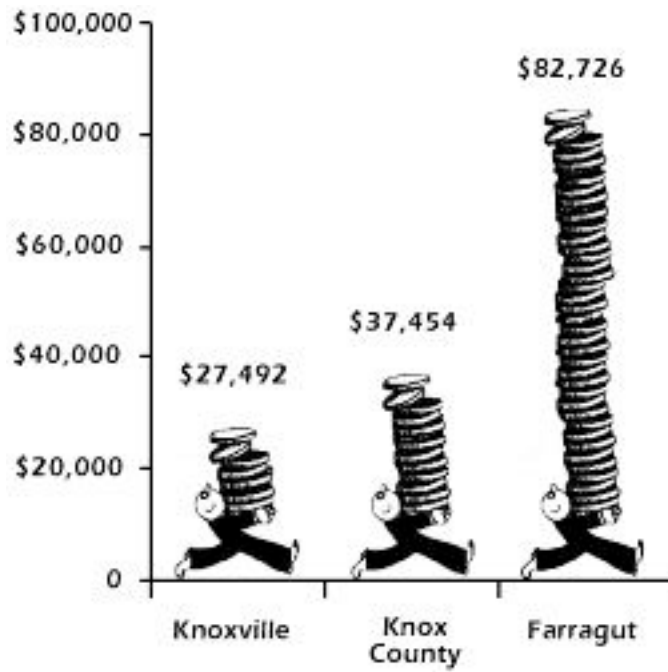


Figure 3-4: Median Household Income: 1999  
Source: Knoxville Metropolitan Planning Commission, 2002

Table 3-1: Demographic Comparisons: Tennessee, Knox County, City of Knoxville, Downtown Knoxville, Farragut, and Oak Ridge

(Data from U.S. Census Bureau 2010 and American Community Survey 2006-2010)

	Tennessee	Knox County	Knoxville	Knoxville's Downtown Residents	Farragut	Oak Ridge
<b>Total Population</b>	6,346,105	432,226	178,874	1,605	20,676	29,330
<b>Percent of Male Population</b>	48.7	48.6	48	49.5	49	47.2
<b>Percent Female Population</b>	51.3	51.4	52	50.5	51	52.8
<b>Percent Under 5 years</b>	6.4	6.1	6.2	1.8	4.7	5.5
<b>Percent 18 and over</b>	76.4	78.1	80.9	96	74.7	78
<b>Percent 65 years and Older</b>	12.4	13.1	12.6	6.8	16.1	19.3
<b>Median Age</b>	38	37.2	31.2	32.4	45.3	43.5
<b>Percent White</b>	77.6	85.6	76.1	87.3	90.6	83.9
<b>Percent Black or African American</b>	16.7	8.8	17.1	7.9	1.9	8.1
<b>Percent Hispanic or Latino</b>	4.6	3.5	4.6	1.7	2.5	4.6
<b>Percent High School Degree or Higher</b>	82.5	88.3	84.2	82.4	97.1	90.7
<b>Percent Bachelor's Degree or Higher</b>	22.7	33.8	29	43.9	58	38.3

Table 3-1 Continued

	Tennessee	Knox County	Knoxville	Knoxville's Downtown Residents	Farragut	Oak Ridge
Per Capita Income in 2010 (dollars)	23,722	27,349	21,964	24,988	42,498	30,430
Median Household Income (dollars)	43,314	46,759	32,756	24,413	94,848	48,716
Median Value of Housing Unit (Dollars)	134,100	152,300	111,500	227,600	302,800	136,300
Percent Unemployed	5.4	5.6	4.3	7.7	3.3	7.3
Percent of Families Below Poverty Level	12.4	9.1	16.4	37.7	3	16
Percent of Individuals Below Poverty Level	16.5	13.7	23.4	36.7	3.1	10.7

People such as Kristopher Kendrick, Buzz Goss and Cherie Peircy-Goss, and Bernadette and Scott West began moving downtown, buying real estate, and starting businesses.

The turn of the twentieth century marked an aggressive new campaign for downtown revitalization. The Old City<sup>8</sup> is experiencing revitalization and Market Square was redeveloped as a shopping, eating, and entertainment center. Both the Tennessee and Bijou Theaters were renovated. The construction of a new convention center sought to inspire economic growth through the building of hotels and increased revenues brought into the city with the major conventions. New housing units such as Sterchi Lofts, the Emporium, and the Phoenix are all modern lofts and apartments constructed in old warehouses and buildings and designed for young upper-middle class residents and tourists.

Businesses such as the Chocolate and Coffee, Maple Hall Bowling Alley, and Downtown Wine and Spirits; bars such as Sapphire, Jig and Reel, and Scruffy City Hall; and the retail shops of Market Square and Gay Street are marketed to the urbanites, professionals, and tourists (See Figure 3.5). Development projects on the outskirts of Knoxville's city limits rival the redevelopment of downtown. Turkey Creek is a development center of over 400 acres, 300 of which are newly built and potential space for development. Turkey Creek is located on the western

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<sup>8</sup> The Old City is an area northeast from the center city. In the later 1800s it was known as "The Bowery" and consisted primarily of a grain warehouse, marble company, foundry, and several saloons frequented by loggers and prostitutes. Throughout the years, it has been the home of JFG Coffee Company and John H. Daniel Company. The name The Old City is just a catchphrase used to describe the area, which is now home to several restaurants, shops, and music venues (Mckinney 1994).

boundary of Knoxville, with half the development located in the town of Farragut. The Colonial Pinnacle at Turkey Creek, Knoxville's first lifestyle center, completed Phase II of development in April 2006. Built by Colonial Properties Trust from Birmingham, AL, a large real estate investment trust with property spanning throughout the Sunbelt from Virginia to Nevada, the Pinnacle spans almost 500,000 square feet (Casey 2004).

This historical background lays the foundation of Knoxville's growth and development in both the center city and suburban area. Development and revitalization were the center themes of government officials, business owners, and entrepreneurs for the last half-century as population and sprawl continue to increase away from the center city. The history of Knoxville lays the foundation for the following chapters which will examine urban processes and development strategies from 1990 to the present.



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**DIRECTIONS TO MARKET SQUARE FROM I-40 EXIT 388**

**DIRECTIONS TO THE "OLD CITY" FROM I-40 EXIT 388A**

- 1 From I-40E, take Exit 388 (Henley St).
- 2 After tunnel, get in farthest left lane.
- 3 Turn left onto W. Church Ave.
- 4 Turn left onto Walnut St.
- 5 Market Square Parking Garage is on the right, just past Union Ave. (Once parked, walk west to Market Square along Union Ave. or Wall Ave.)

- 1 From I-40E, take Exit 388-A (James White Parkway).
- 2 Exit at "Summit Hill Drive" exit ramp.
- 3 Turn right onto Summit Hill Drive.
- 4 Turn right onto S. Central St.
- 5 Parking lot is on the right. (Additional parking is located under elevated James White Parkway.)

Figure 3-5: Downtown Knoxville  
Source: Metro Pulse, 2012

Table 3-2: Knox County Population Trends

Source: Knoxville/Knox County Metropolitan Planning Commission, 2011

NAME	Population 2000	Share (%) of County Total	Population 2010	Share (%) of County Total	Population Change 2000-2010	Population Change (%) 2000-2010	Share (%) of County Population Growth
Knox County	382,032		432,226		50,194	13.1	
Knoxville city	173,890	45.5	178,874	41.4	4,984	2.9	9.9
Farragut town	17,720	4.6	20,676	4.8	2,956	16.7	5.9
Un-incorporated areas	190,422	49.8	232,676	53.8	42,254	22.2	84.2

## **CHAPTER FOUR**

### **THE FESCUE FRONTIER AND THE GILL AVENUE GENTRY: NEOLIBERAL SUBURBANIZATION AND GENTRIFICATION**

In this chapter, suburbanization and gentrification are briefly analyzed in relation to neoliberalism. Both of these concepts are integral to studies of urban processes in the United States. This chapter provides the basic groundwork for understanding urban processes in Knoxville. Then, I outline a brief history of these urban processes beginning in the 1950s in Knoxville. Finally, my data are analyzed.

Both suburbanization and gentrification are often the focus of many disciplines' literatures of urban processes, there exist many definitions and contradictions of the concepts. Gentrification can be described as the process of redeveloping lower-class or marginalized neighborhoods in center cities, often the physical embodiment of the antithesis of the suburb. The term itself refers to the "gentry," middle to upper-class citizens, who come into a devastated community with the intentions of revitalizing the area into an upper-income residential enclave, either to live in or sell for a profit (Smith 2002).

Maloutas argues that "gentrification is an ambivalent notion" (2011) and, to the detriment of analysis, evolves into a concept that encompasses almost all forms of urban regeneration (2011). Gentrification as a concept can be messy, but it does have relevance in topic of urban processes. Lees, Shin, and Lopez-Morales (2015) argue against Maloutas to show that there are relevant and necessary

conditions for gentrification and that these regularities are central to the process of gentrification. These conditions are class polarization; investment into the secondary circuit of the built environment (Harvey 1985); and different forms of displacement, including but not limited to direct, indirect, and exclusionary displacement as well as displacement pressure and social exclusion (Lees, Shin and Lopez-Morales 2015).

Suburbanization can be defined as the development of places outside central cities and characterized by sprawling, low-density land use and the absence of a downtown district (Baldassare 1992). Peck states that the suburb is “perhaps the least loved of all jurisdictional categories, (it) failed even to secure a stable definitional identity on its quiet path to dominance” (2011). He goes on to argue that:

American suburbia, in this sense, demarcates much more than a less-than-urban netherworld, a place of manicured lawns and bland politics, where little of any significance happens; the suburbs have been politically *subversive of the urb*. Since the 1970s, suburbia has become a significant, but perhaps underappreciated, spatial expression of neoliberalism’s deregulatory moment, in the course of the protracted unwinding of the metropolitan-Keynesianism, gradually morphing into a distinctive field of reregulatory minimalism (2011).

### **Neoliberal Suburbanization and Gentrification**

Harvey (2007) pinpoints four main elements of neoliberalism. First, privatization along with corporatization and commoditization becomes the

dominant strategy for economic and political policy. Public utilities, welfare institutions, public institutions, and common goods are being moved from the public sphere to private ownership. Second, neoliberalism is marked by the strong move towards financialization that is dependent on speculative and predatory practices. Third, neoliberalism is dependent on the management and manipulation of crises, such as raising interest rates that help force countries into bankruptcy. Finally, neoliberalism is dependent on state redistributions through privatization, slashing social expenditures, and changing tax laws and codes in the interest of corporations and investment. Here, Harvey is describing neoliberalism as a project that restored class power to the capitalist elites in the United State through an ongoing process of accumulation by dispossession (2007). Although Harvey's analysis is primarily on a global and national level, some of these conditions can be used to understand neoliberalism at the regional or city level. According to a member of the Knoxville Chamber of Commerce, Knoxville used to be very reliant on non-risk government service industries, but began moving away from these government services as the main economic driver thirty years ago.

What has influenced us is that for a long time we were a non-risk community. Our biggest employers were not at risk. KUB is a municipal utility... Knox County Schools...TVA, UT. For the longest time the hospitals—which are huge employers, were really, no kidding, not for profit... We didn't really evolve our entrepreneurial genes until government started to wane about 30 years ago. TVA for the longest time was growing, growing, growing. UT every year got more and more proceeds from the state. And that

started to level off and then in more recent years it's been coming down.... People had to...develop risk tolerance, because if we were going to continue to make money, there wasn't that many jobs being created by the non-risk community. We had to do things differently and it was awkward, I think, for about a decade or two. Now we are much different and we are very grateful for the government product that we have, but it now doesn't command the market share that it once did. We are not reliant on it (2012).

Both suburbanization and gentrification can be examined in conjunction with neoliberalism. Suburbanization in the United States is traced back to the nineteenth century as a way for wealthier citizens to escape the social problems of the city. With the invention and mass production of the automobile, the growth of the suburbs began exploding in the 1950s and, by the year 1990, over 50 percent of urban Americans lived in the suburbs. Even though the process of suburbanization began well before neoliberalism became a dominant economic and political ideology, suburbanization since the 1970s can be seen as the new frontier for neoliberal economics and politics. Suburbs, especially the fastest growing outer suburbs, tend to be wealthy, white, and conservative and tend to favor devolution, deregulation, and decentralization. Peck argues that in many ways neoliberals “sought to capture the creatively competitive upside of uneven spatial development. And conditions across the crabgrass frontier were seen to be most propitious for the rollout of an array of small-government strategies, nudged towards low-tax equilibrium by a mobile class of suburban ‘homevoters’” (2011).

In many ways, the suburb is seen as the epitome of privatization. Schneider (1992) articulates how in many ways suburbanization is the privatization of American life and culture. In fact “to move to the suburbs is to express a preference for the private over the public” (1992). Suburbs are designed around the automobile, highlighting the preference of one’s own private, controlled space over public transportation. Shopping is privatized in retail malls as opposed to a downtown center. Of course, this is not exclusive to suburban areas alone, but these phenomena are in some ways more exaggerated in suburbs. Schneider argues that even government is privatized as well. “Suburban voters buy ‘private’ government- good schools and safe streets for the people who live there. They control their local government, including taxes, spending, schools, and police” (1992).

Similarly, the processes of gentrification and the increasing privatization of inner-city land and housing markets create a system in which the actors, scale, and policy are changed. Ruth Glass coined the term gentrification in 1951, but Glass’s gentrification is led by the middle and upper class and it was an oddity that sporadically popped up in neighborhoods. Today, gentrification is often driven by corporate and government actors and is systematically planned and pushed by public-private partnerships. It is not limited to large global cities, but becomes a common process in small and middle-sized cities as well.

Broadly, we can understand this shift by examining the three waves of gentrification, which loosely follow the three phases of neoliberalism (Peck and

Tickell 2002). The gentrification of the 1950s and 1960s was sporadic, the “quaint urban sport of the hipper professional classes unafraid to rub shoulders with the unwashed masses” (Smith 2002). Hackworth and Smith (2001) argue that in the seventies, the anchoring stage of gentrification emerged as developers and corporate actors began buying up large areas of land in the city centers. Throughout the 1980s, gentrification as an urban strategy also began spreading to small, non-global cities. The early 1990s witnessed a decline in gentrification as the recession slowed the capital flows. However, by the end of the same decade, urban renewal and regeneration had grown dramatically with large-scale corporations in partnership with governments revitalizing entire neighborhoods and city blocks.

### *Neoliberal Suburbanization*

Peck argues that since the seventies the suburbs were the new crabgrass frontier for neoliberal economics and politics and in many ways is the epitome of neoliberal urban development. The suburbs “become a strategically significant nexus for open-ended, deregulatory experimentation, systematically favoring more decentralized, privatist, and market-oriented approaches” (2011). Suburbanization is a movement away from the Keynesian policies of urban cores. To understand how suburbanization in Knoxville represents neoliberal ideologies we can look at devolution, decentralization, and privatization.

The incorporation of Farragut in many ways represents this movement away from a centralized power- Knoxville and Knox County. When I spoke to an activist



who was involved in organizing the incorporation of Farragut in the fescue<sup>9</sup> frontier of west Knoxville he describes the beginning of the movement as such:

You got to think back to the seventies, the early seventies. Things had happened out in Oak Ridge where they were opening up more, less secret, and they were taking on new programs that meant more people were needed. So there was a lot of influx of scientists, engineers, in this area to serve the needs of the facilities in Oak Ridge. I was one of those people. At that time, Walker Springs Road represented the end of the civilization because everything past that was cows grazing and stuff like that. And yet, in spite of that there was this community that had grown up in this area with four or five subdivisions including Village Green, Fox Den, Stone Crest, King's Gate. Those places and people were moving into those subdivisions. And so in 1979 we probably had about 5000 people here. Relations with Knox County were pretty bad because they were just running roughshod over this area and it was clear that this was going to be the heavy growth area for the Knoxville area for the next twenty years. People were building houses, but without permits, Knox County didn't care, Knox County enforced no kind of drainage planning for subdivisions (2012).

The incorporation of Farragut was in part pushed because the people in the communities did not feel like the central authority of Knox County was able to govern them in the way they wanted.

So we have a lot of legacy left over from Knox County, and they were twenty miles away. So if you wanted to go down and protest something they were doing out here, you had to take off work...drive

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<sup>9</sup>Fescue is a native plant to East Tennessee.

down there find a parking place, go in there and if you had citizens' comments, they were at the end of the meeting.... But typically they would wear you down if you were opposing a developer by postponing to the next month or whatever and you go back down there and they postpone it again. They wanted to get you less interested in doing it. So there was a great, great frustration. And we all knew we could do better than they do. But what was happening at the time was that there would be a little group here worried about this development and another little group here worried about another development and everybody was feeling a sense of frustration and it don't come together in a critical mass until someone said we need to start talking to each other so we did (2012).

This movement to incorporate Farragut began in the 1970s and in September of 1979 the movement really became organized. It was a push against the centralized power of Knox County but also a movement for devolution. The organizers for incorporation did, and still do, favor regulation but it is regulation from their own local government.

Many aspects of Farragut also highlight the privatization of life in the suburbs. Schneider (1992) highlighted the dependency of the automobile, retail and the shopping mall, and even the "buying" of government as markers of the preference of the private over the public. Farragut, like most suburbs, is most certainly built around the automobile. As one developer said:

Obviously the suburban life is totally built around the automobile and how that interfaces, and downtown is built around the pedestrian experience to a large extent and that context of how you live, how

you communicate, and deal with other people, how you are sort of forced to interject and interrelate with folks (2012).

Even older suburban communities such as Bearden are dependent on the automobile. Suburban developments lack a center where residents can shop, dine, and socialize with members of their community. Mark Schimmenti, an architecture professor at the University of Tennessee, described the Bearden area as having the right ingredients; shops, restaurants, services, and residential developments all close by, but lacking accessible alternatives to automobile traffic (Neely 2000). This dependency on the automobile and movement away from public spaces is linked to a sense of apathy among suburbanites. In an article on sprawl in Knoxville, Neely showed:

Authors have cited anecdotal cases to postulate that sprawl leads to political disaffection at a local level. While it's impossible to prove sprawl is a primary causal factor of apathy in Knoxville, which just logged a 20 percent turnout in an important mayoral election last year, the Knoxville example seems to fall right in line. As Knoxvillians have moved farther apart from each other, voter turnout in city and county elections has dwindled (Neely 2000).

Suburban shopping malls and center are also privatized. In a 1998 article, Joe Tarr examined the history of malls in Knoxville and the possible consequences of retail centers on social life (Tarr 1998). Tarr recounts the history of Knoxville malls starting with the opening of the \$12 million West Town Mall in 1972. One of the original tenants of the mall explained that prior to the development, most

people did not know what a mall was or how successful it would be. In 1984, the \$50 million East Towne Mall (renamed Knoxville Center) opened and became the prime retail center in Knoxville until West Town reclaimed that role after extensive renovations.

Mark Schimmenti stated that what was most disconcerting about the mall phenomena was the increased dependency of automobiles and the negative impact these facilities have on the real public spaces such as downtowns. He argued that when West Town's parking and development space is added up, it almost equals that of downtown Knoxville. Both West Town and Knoxville Center efforts to mimic downtown mark a shift from public spaces such as city centers to privatized space, free from the perceived social ills that can be found downtown. West Town Mall developers built Street Corner News, a small store that imitated the newsstands of downtowns, and the Regal Funscape, where the escalator to an entertainment center and movie theater was surrounded by cutout imitations of downtown Knoxville attractions. Knoxville Center featured a hospital office and government center where citizens could get a driver's license or pay a fine. The article noted that "it's as though, having helped kill downtown areas, malls are selling the nostalgia back to us" (Tarr 1998). As one government official said:

But we don't plan long-range, and so we follow trends. And the trend was move out from downtown to go to suburbs, then build shopping malls and shopping centers and move a little further out because now you've got the congestion of the shopping mall and the shopping center. And it keeps moving away from downtown, and downtown

dies. So then you get a period of rebuilding downtown and revitalizing downtown, and now it's chic to live downtown even if you can't find a grocery store (2012).

Schneider argued that suburban homeowners even buy government; they control their taxes, spending, school, and police. When I spoke with a government official from the Town of Farragut, his comments reflected Schneider:

Generally, we have a nice residential community with thriving businesses, growing, growing both in population and in revenue and not many towns can say that in this country today. You probably know, we were named the most business friendly community in the state... That doesn't just happen. We have no property tax, no debt, we have some great parks and great amenities, all that without debt and without property taxes. That being said, we don't provide fire department, police department because rural metro covers us for fire protection. Each household gets to decide whether they are going to subscribe or not. The sheriff's department provides police- those are big expenses. We've had some clamoring recently about the need for greater police coverage which when it happens to you, yeah, we don't have enough police coverage but the fact is, it doesn't happen much and so that's sort of a debate we are having. But I think the last thing we would consider would be to start our own police force. Rather than do that, we will just buy more service from the sheriff's department. In fact, we have a meeting with him next week. We are talking about that, just to see how much it would be. I think we are going to find out that just to add one policeman around the clock, solely in Farragut, it'll cost a million dollars or so. Especially buying four, not one. Buying a car maybe two for backup, you do the math and that's what it means (2012).

This official talks very specifically about buying police force and subscribing to the fire department. These represent market-based solutions to government programs entirely consistent with neoliberal perspectives. Of course, Farragut is only one suburban community surrounding Knoxville. Powell, Fountain City, and Halls are other of the many suburban communities, but unlike Farragut, these communities are not incorporated. They do, in many ways, represent the movement of white, wealthier, Knoxvillians away from the city center<sup>10</sup>. Fountain City had been a small community since the late eighteenth century, but became a popular suburban destination for Knoxvillians by 1960 and was annexed by the City of Knoxville in 1962 (Wheeler 2005). Powell was established in 1798 in Knox County in between the City of Knoxville and Oak Ridge. It has grown from a farm community to one of the fastest growing suburban communities in Knox County (Powell Community Club 2009). Although both Powell and Fountain City can be characterized by the sprawl that dominates suburban development, both arguably have a “downtown” area (Steely 2014; 2015). In 2014, the City of Knoxville population was 76.4 percent white while Fountain City was 93.2 percent white, Powell was 96.3 percent white and Farragut was 89.7percent white<sup>11</sup> (See Figure 4.1). In 2014, the median household income for the City of Knoxville was \$33,494;

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<sup>10</sup> Center city is defined as the approximately 16 square mile Central City Sector identified by the Knoxville- Knox County Metropolitan Planning Commission (2014)

<sup>11</sup> Because Powell and Fountain City are not considered census neighborhoods or places, I used census districts. Knox County census district 61.04 encompasses most of what is typically considered Powell. Fountain City lays in intersections of several census districts. I chose to use only Knox County Census District 51 because that is the district where Central High School, the secondary school for most residents of Fountain City, resides.

\$59,740 in Fountain City; \$51,801 in Powell; and \$104,715 in Farragut (See Figure 4.2).

Oak Ridge is sometimes described as a suburb of Knoxville. The Oak Ridge Chamber of Commerce stated, “To our prospects, Oak Ridge is an affluent suburb of Knoxville with a 20-minute drive-time, population of 66,000 people, and 27,000 households boasting median household income of \$52,559 and average household income of \$62,841” (Hardy 2011). This perspective is not shared by everyone. As one member of the Oak Ridge government stated:

Oak Ridgers certainly aren't fond of that attitude. We're not friends. We're not neighbors yet. And it's our own fault, as far as I'm concerned, because we haven't taken this attitude of we are an entity. We are a living town. We are not a suburb or a bedroom community of Knoxville.

Oak Ridge is for many people a locale which is very different from most suburban communities. The unique history of Oak Ridge cannot be separated from its present. Oak Ridge as the Secret City and still home to Y-12 presents a very different story than a community like Farragut. As one councilperson said:

Our history is such that a lot people in town look at DOE (Department of Energy) as being synonymous with us. Certainly, it appears that Knoxville—and the country—when you say Oak Ridge, they're thinking of the Oak Ridge national land. One of the things I ran on was that Oak Ridge doesn't have a strong sense of itself as a city—a small city, obviously. But doesn't have a sense of self, and that we need to get that and begin to think of ORNL and Y-12 as great tenants to our town. We are the only one of the Manhattan

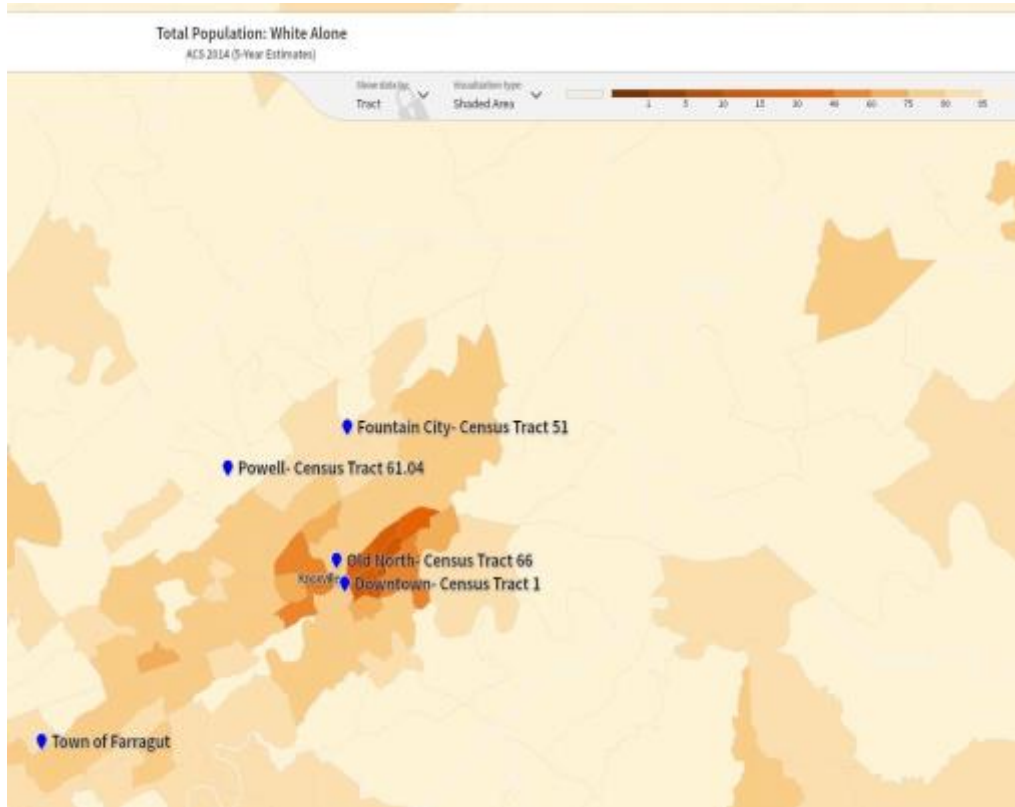


Figure 4-1: Total Population: White Alone  
Figure made from Social Explorer.



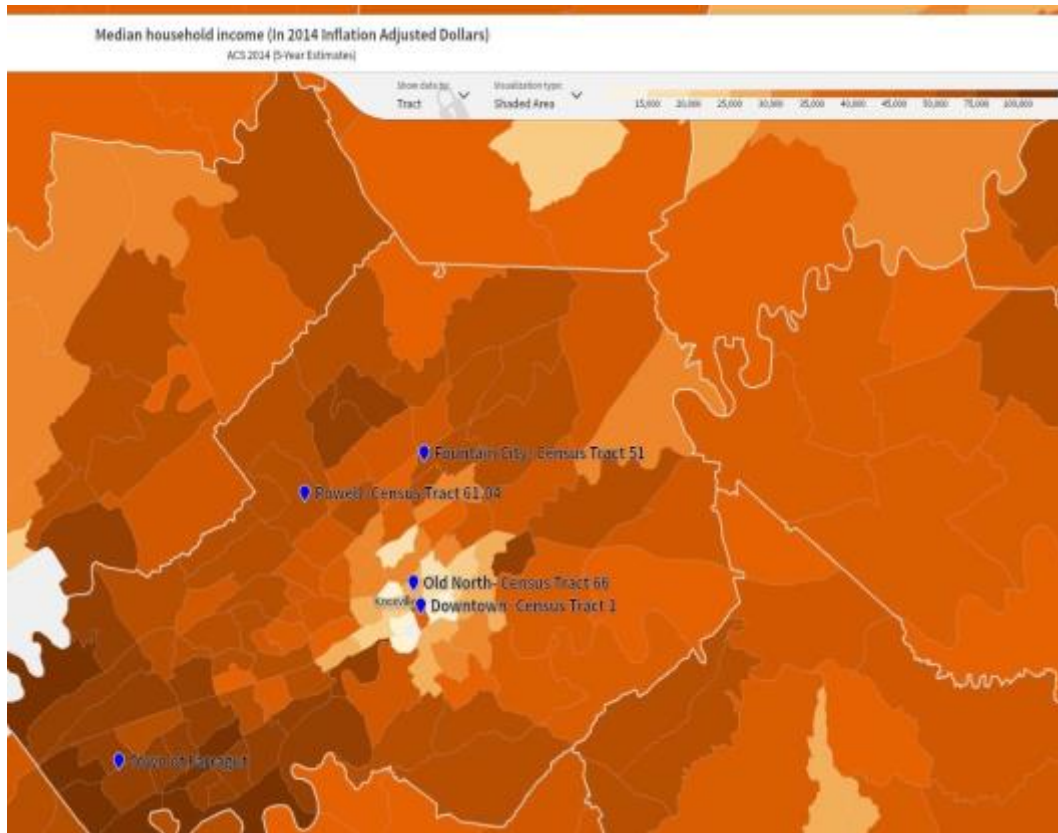


Figure 4-2: Median Household Income  
Figure made from Social Explorer.

communities which has the operations inside the borders of our town. But we have to think of ourselves as sustainable if DOE were to go away. We have to think of ourselves as having opportunities for people who are not scientists and engineers and maintenance workers. One of the weird parts of the relationship, because now, a lot of the contractors to ORNL and Y-12 have their offices and reside in Knoxville, Farragut, Maryville (2012).

Oak Ridge doesn't follow the pattern of many suburban communities. According to one councilperson, most people in Oak Ridge leave the community to go shopping.

A lot of the shopping that Oak Ridgers do gets done in Knoxville. But we're coming up on that score. We had a catastrophe with mall property a decade ago. It hasn't gone away, but now it's sort of been supplanted by other retail coming in along the Illinois corridor... (Many Oak Ridge shoppers go to Turkey Creek) and West Town. Or they'll go over to the other side of the – well, I guess it's this side of the Powell community, where there are some large shopping areas (2012).

Despite the uniqueness of Oak Ridge's history, its current concerns are similar to other suburban communities.

### *Neoliberal Gentrification*

We can now examine how the processes of redevelopment in Knoxville correlate with Smith's (2002) generalized characteristics of gentrification in this globalized world. First, Smith argues that the role of the state in gentrification

transforms alongside the changes brought by neoliberalism. The earliest forms of gentrification relied primarily on public financing, but the 1980s largely marked the withdrawal of the state from redevelopment strategies. This changed again in the 1990s, as the local state became an important actor in the gentrification process. The creation of private-public partnerships intensified dramatically as governments sought redevelopment projects as an answer to fiscal stress.

Urban policy no longer aspires to guide or regulate the direction of economic growth so much as to fit itself to the grooves already established by the market in search of the highest returns, either directly or in terms of tax receipts (Smith 2002).

The role of Knoxville's government in development increased in the last thirty years and it has been especially strong since the late 1970s with the push for the 1982 World's Fair. This involvement ranges from entirely proposing and funding projects, to approving funds or incentives to support development by approving and funding road projects, providing tax breaks, and contracting and paying for studies and proposals. This is in part a response to the devolution of the federal government. Hackworth and Smith (2001) argue that the return of heavy state intervention in the process of gentrification is a response to this devolution that places increasing pressure on local states to pursue development activities that will increase tax revenue. Paradoxically, neoliberal policies which diminish government intervention at the national level increase state involvement in cities' redevelopment schemes.

In the 1970s, four Knoxville neighborhoods received major funds from federal and local governments for renovations and housing aid: Fourth and Gill, Lonsdale, Mechanicsville, and Vestal. These neighborhoods were chosen by the Knoxville Housing Rehabilitation Office because of both their poor dilapidated housing stock and the low economic status of the residents. (Harrison 1983). The attempt at improvement of housing in each neighborhood was a mixture of both private and public funds, but Fourth and Gill had a much higher percentage of privately funded home renovations, a higher rate of owner-occupied houses that changed hands, and an increasing median sale price. From the 1970s to the present, Fourth and Gill remains the poster image of gentrification in Knoxville. The other areas, despite the influx of money from government, were not successfully gentrified.

To understand how central development and economic growth have become to the local government, one only has to look at the recent Fiscal Year 2010/2011 Proposed Operating Budget, which is guided by four major goals:

1. Stronger, safer neighborhoods
2. City services you can count on at a competitive price
3. An energized downtown; everybody's neighborhood
4. More and better jobs

(City of Knoxville 2010)

Large funds are set aside to address chronic problem properties, acquire blighted property, improve commercial façade, redevelop downtown, improve the business park, and aid the Chamber of Commerce in its Innovation Valley

Campaign. Other subsidies and tax breaks are commonly offered to big businesses interested in Knoxville (See Figure 4.3).

In a more successful effort, Knoxville City Council approved a \$250,000 grant for tenant improvements to a building housing Urban Outfitters, a transnational clothing chain that was looking to locate a store in a historic, yet vacant, building in the heart of downtown (Gervin 2012). To sweeten the deal, the City Council approved a tax increment financing that is equal to about a \$1 million. Knoxville's Central Business Improvement District had also promised \$500,000 to cover most of the tenant improvements to the store's space (Sullivan 2010). These examples also highlight the second of Smith's characteristics, the penetration of global capital into local development. From the proposed financing of large projects to development plans to opening chains, global capital becomes both a common actor and tool in redevelopment strategies. Many of these projects will be discussed in more detail in subsequent chapters.

Revanchism in Knoxville takes on a certain character in the attempt to gentrify. Since 2000, the number of housing units in downtown has doubled, and the price for this housing has risen 232 percent in the same period (Haynes 2009a). Critics of gentrification often cite similar statistics to highlight the negative consequences of the urban strategy with particular emphasis on the displacement of the poor. One journalist argued that gentrification of Knoxville was mostly positive, but had possible unforeseen consequences:

**City of Knoxville  
Tax Increment Financing  
Project Status**

	Property Assessment			Yearly Increase in County Taxes		Yearly Increase in City Taxes		Yearly Increase in City & County Taxes	
	Base	Post Project	Increment	TIF Period	Post TIF	TIF Period	Post TIF	TIF Period	Post TIF
<b>Substantially Completed Projects*</b>									
Fire Street Lofts	\$279,575	\$2,644,570	\$2,364,995	\$11,352	\$54,868	\$17,264	\$64,564	\$28,616	\$119,432
Mast General & Gallery Lofts	\$299,080	\$3,001,115	\$2,702,035	\$12,970	\$62,687	\$19,725	\$73,766	\$32,695	\$136,453
Holston Building	\$364,400	\$4,503,580	\$4,139,180	\$19,868	\$96,029	\$30,216	\$113,000	\$50,084	\$209,029
Burwell Building	\$200,800	\$2,134,310	\$1,933,510	\$9,281	\$44,857	\$14,115	\$52,785	\$23,395	\$97,642
Candy Factory	\$0	\$3,198,385	\$3,091,495	\$14,839	\$71,723	\$22,568	\$84,398	\$37,407	\$156,120
North Central Village	\$26,400	\$598,225	\$571,825	\$2,745	\$13,266	\$4,174	\$15,611	\$6,919	\$28,877
Commerce Building	\$369,480	\$1,702,420	\$1,332,940	\$6,398	\$30,924	\$9,730	\$36,389	\$16,129	\$67,313
Brownlow School	\$100,840	\$1,028,225	\$927,385	\$4,451	\$21,515	\$6,770	\$25,318	\$11,221	\$46,833
Crimson Building/300 Building	\$69,915	\$1,228,150	\$1,158,235	\$5,560	\$26,871	\$8,455	\$31,620	\$14,015	\$58,491
500 Block	\$0	\$1,740,600	\$1,740,600	\$8,355	\$40,382	\$12,706	\$47,518	\$21,061	\$87,900
Downtown N. - Matisse	\$398,500	\$727,245	\$328,745	\$1,578	\$7,627	\$2,400	\$8,975	\$3,978	\$16,602
JFG	\$182,480	\$1,589,800	\$1,407,320	\$6,755	\$32,650	\$10,273	\$38,420	\$17,029	\$71,070
SE Glass	\$54,720	\$1,059,145	\$1,004,425	\$4,821	\$23,303	\$7,332	\$27,421	\$12,154	\$50,723
129 W. Jackson	\$65,080	\$1,048,615	\$983,535	\$4,721	\$22,818	\$7,180	\$26,851	\$11,901	\$49,669
Armstein Building	\$435,120	\$863,520	\$428,400	\$2,056	\$9,939	\$3,127	\$11,695	\$5,184	\$21,634
Daylight Building	\$207,760	\$1,067,320	\$859,560	\$4,126	\$19,942	\$6,275	\$23,466	\$10,401	\$43,408
Harold's	\$21,760	\$159,080	\$137,320	\$1,116	\$9,099	\$2,537	\$9,505	\$3,653	\$18,603
The Landings	\$0	\$5,058,320	\$5,058,320	\$24,280	\$117,353	\$36,926	\$138,092	\$61,206	\$255,445
Victorian Houses	\$0	\$716,985	\$716,985	\$3,442	\$16,634	\$5,234	\$19,574	\$8,676	\$36,208
City View Riverwalk	\$356,400	\$5,283,225	\$4,926,825	\$23,649	\$114,302	\$35,966	\$134,502	\$59,615	\$248,805
University Commons	\$305,640	\$9,337,960	\$9,032,320	\$43,355	\$209,550	\$65,936	\$246,582	\$109,291	\$456,132

<b>Total - Substantially Completed</b>	<b>\$3,737,950</b>	<b>\$48,690,795</b>	<b>\$44,845,955</b>	<b>\$215,717</b>	<b>\$1,046,339</b>	<b>\$328,910</b>	<b>\$1,230,051</b>	<b>\$544,627</b>	<b>\$2,276,389</b>
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The above figures are from 2014 property appraisals

Baptist Hospital	\$12,169,600	\$8,784,480	(\$3,385,120)
MUSE1/Mag Urban Village	\$67,120	\$67,120	\$0

\* The values in each category for this section of projects represent actual appraisals from completed projects.

\*\*These projects have been given the "in progress" designation due to the fact that they have not yet been reappraised. Therefore, the dollar figures in this section are estimated. Sentinel Tower Project is delayed and is not included.

All projects are evaluated to meet both "Public Interest" and "But for\*\*\*\*" analysis prior to presentation to KCDC, City, and County legislative bodies.

\*\*\* Project would not occur without TIF financing. Review by bankers not involved in project assists in decision. No City or County appropriated funds used in TIF projects

Figure 4-3: City of Knoxville Tax Increment Financing Project Status

Source: City of Knoxville 2015

Yeah, it's mostly positive... Any time you can address blight and increase property values and all that, I think it's great. I mean, I love to see Fourth and Gill kind of coming back and investment being made there, property values are rising. I think that's a good thing. I mean, the trick always, of course, is that if gentrification happens, who gets left behind, who gets priced out (2012).

The demographics of downtown Knoxville are shifting through the revanchist policies of urban development outlined by Smith. In 2005, the city adopted a ten-year plan to end chronic homelessness. Although noble in much of its goals, it also seeks to displace many of the homeless and poor who have historically congregated in the center city because of access to social services. The plan includes both permanent and temporary housing of the homeless in centers not located in the gentrifying downtown. One permanent housing center is located far west of the city center and another was built in a newly gentrifying neighborhood adjacent to downtown.

The undesirability of the homeless in downtown is evident in the language of the media. In a 2009 article about residential parking in downtown, a local reporter stated that “prior to the Volunteer Ministry Center’s move to Broadway, the sidewalk leading up to Gay was often a hangout for homeless and other street people, raising safety concerns for many residents” (Haynes 2009b). The city took “concerns” such as this to heart and in 2009 the City Council voted to uphold an ordinance that makes it illegal to sit or lie on public sidewalks in downtown itself and just north of downtown, where several homeless assistance providers are

located. Anyone who violates this law is subject to a \$50 fine, which automatically raises the question of how someone who is homeless can be expected to pay such a fine. As one Knoxvilleian argued:

These council members seemed untouched by their own blatant prejudice, untroubled by their obvious act of discrimination against Knoxville's poor and homeless. Many of them cited a concern for small business as their overriding reason to uphold the ordinance despite their acknowledgment that homeless people really do not have much choice about where to stay, and despite the fact that none of the three people who showed up to express their support of the ordinance actually were small business owners in the area. Several in attendance, however, were homeless and were there to speak up for their right simply to exist in public (Kindell 2009).

The fourth characteristic outlined by Smith is the diffusion of gentrification from the center city. Smith underscores the fact that this process is uneven and is dependent on the physical geography of the city. This is not a uniform or smooth process, but some urban districts outside the city center were caught up in the gentrification fever. Cities with a long history of sprawl will have more opportunities to gentrify dilapidated neighborhoods, but those urban areas in which sprawl is a relatively new phenomenon cannot be gentrified as they have not had time to decay. In Knoxville, housing improvement attempts began first with the four neighborhoods: Mechanicsville, Lonsdale, Fourth and Gill, and Vestal. Each of these is located on the fringe of the urban core. Smith's argument of unevenness is borne out, as Fourth and Gill is the only successfully gentrified neighborhood,



despite attempts from government. Close to 4<sup>th</sup> and Gill, gentrification spreads out to other areas including Downtown North, the Magnolia Avenue corridor, and arguably soon to be at the South Knox Riverfront.

According to a government official in the City of Knoxville:

The revitalization, the new energy and redevelopment in downtown and in the adjacent neighborhoods, I think that's for the city of Knoxville, that's really important because for years so much money and wealth and new development all had occurred outside of the city, particularly west... I had worked downtown 30 years ago when I first moved here and it was a little more lively because there were more TVA employees but after 5 o'clock things would still kind of die down and you never went downtown for Friday or Saturday events, you'd go out west typically. We used to go to the movies at East Town (Mall). Downtown wasn't anything like it is now. I think just for the economic stability and for the life of the community, that's been the biggest thing. The downtown redevelopment and then the focus on Downtown North, Broadway, that kind of redevelopment that's happening in Happy Holler<sup>12</sup> along that way with Magpies<sup>13</sup> and all of that (2012).

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<sup>12</sup> According to the Happy Holler Facebook page (2016), "The Happy Holler" is a neighborhood in N. Knoxville generally associated with the communities and business along N. Central Ave. between the intersections of N. Broadway St. and Woodland Ave. The Holler supposedly got its name from a time when it was mostly known for its numerous bars and honky tonks and resulting reputation for being a wild and even dangerous part of town. The area has changed much in the decades since and is currently experiencing a period of renewed growth and public interest. Though the area has a long and very rich history, little information is currently available."

<sup>13</sup> Magpies is a popular local bakery.

The final characteristic of globalized gentrification is the sectoral generalization of gentrification in which the processes of gentrification encompass much more than the revitalization of housing. Despite the heavy involvement of government in redevelopment, especially in regards to large public subsidies, the increasing involvement of corporate actors in gentrification transforms the power relationships and practices characterized by gentrification. Because the earliest forms of gentrification were heavily dependent on public financing, the state had to address certain social concerns such as public housing. The shift to the public-private partnerships diminishes this responsibility and gentrification is much more ambitiously sought as the primary development project within cities. Furthermore, the newest form of gentrification entails much more than the simple redevelopment of housing for the middle and upper classes. It is defined by a complete restructuring of urban areas to integrate housing, entertainment, and business. Centers of consumption, these new gentrified areas, and the real estate industry that remains a driving force in this process are justified by increases in jobs, taxes, and tourism.

This is apparent not only in the redevelopment of downtown Knoxville, but also in the proposed development plan of Downtown North. According to the City of Knoxville's (2016) website on redevelopment:

The City of Knoxville has embarked on a plan to create a Downtown North commercial and residential district. The goal is to create an integrated mixed use area with visual, pedestrian, vehicular and land

use connections working together to capitalize on the revitalization of Downtown Knoxville and her historic near north neighborhoods. Over the past three years this uniquely Knoxville community has made great strides in identifying itself as a special place with a special character. The most noticeable changes have come to the facades over 30 buildings that combined have seen over five million dollars of public and private money invested. There have also been changes made in public infrastructure and plans laid for even more change.

The goals of the revitalization of downtown Knoxville mimic those stated for Downtown North and other development areas in Knoxville. Mixed-use development strategies are utilized to cement the city center as a hub of consumption, recreation, leisure, and residence. Local businesses reside next to large, transnational corporations. Restaurants, bars, coffee shops, retail centers, condos, and offices are the final goal for redevelopment in Knoxville. The gentrification or revitalization of Knoxville is touted by most local leaders as one of the best things that have happened in the last twenty years in Knoxville. This will also be addressed in more detail in later chapters.

New Urbanist principles drive much of the gentrification processes in Knoxville. As one developer said:

I think a good healthy mix is important. I think if downtown became exclusively a retail establishment that looks just like any other strip center out west it would tend to lose a little bit, maybe even quite a little bit, of what makes it more interesting down here to a lot of people. So, no I don't want it to be exclusively that way, but I think

it's healthy to have a real mixture. You can't just survive, you can't be completely healthy by only having you know, typically undercapitalized indigenous retail folks. They're wonderful, they're great finds, there's lots of great things about it, but as a developer and owner of real estate, well you can only, at some point you really have to count on cash flow and if someone signs a lease you certainly want to feel like these folks are actually going to pay their way and make this a decent investment move forward or else you're not going to be in business long (2012).

Smith argues that these gentrified sectors are the embodiment of what distinguishes the newest form of gentrification. The new gentrification encompasses the full weight of the public-private partnership and it weaves global finance with local merchants and produces a situation in which real estate itself becomes part of the productive economy. Within the new forms of globalization, the "urban" is being redefined as much and as dramatically as the "global" and new urbanism is a fundamental part of this change (2002). The national deindustrialization of the 1970s and 1980s coupled with wholesale regional restructuring and destructuring reoriented production systems in the metropolitan areas. At the same time, there was a dramatic movement away from liberal urban, social welfare policies. According to Smith, New Urbanist policies and development plans epitomize these shifts.

### **Conclusions**

Examining how both suburbanization and gentrification embody neoliberal urbanism highlight the varied forms of this new urban policy that Smith noted when

he said, “neoliberal urbanism encompasses a wide range of social, economic, and geographical shifts, and the point of these contrasting arguments is to push the issue of how varied the experience of neoliberal urbanism is and how these contrasting worlds fit together” (2002). Both suburbanization and gentrification in Knoxville began before neoliberalism became the dominant national ideology, yet they both highlight responses to this shift.

Most of the actors interviewed agreed that the revitalization of downtown Knoxville is one of the greatest things in Knoxville in the last ten years. One community activist, when asked about what he saw as the best and worst things to have happened in Knoxville in the last decade, he answered that one of the best things was “The redevelopment of downtown which is made that space livable and vibrant and economically beneficial and I think that has been a great step forward (2012).” None of the actors interviewed used the term gentrification, but instead focused on redevelopment or revitalization and only the one county official mentioned anything negative about this process. Gentrification is pushed as a development strategy in Knoxville by local leaders, both in government and development. Gentrification as a developmental strategy is a response to continued suburbanization, where populations, businesses, and wealth continue to move further from the city center.

Gentrification is often not focused solely on residential redevelopment but on gentrifying downtown areas for newer, more upscale business and entertainment. Developers were able to buy up large tracts of downtown property

because the decline of downtown that occurred in 1940 to 1980 made the land available. Gentrification is multi-faceted and provides an opportunity for multiple actors such as developers, community members, and government an opportunity for development projects.

Strategy for and rhetoric around development by government officials and developers was grounded more in New Urbanist principles than in growth machine ideology. New Urbanism emerged as a clear ideology for both actors and was used as a further communication of growth advocacy. With declining downtowns, city governments take an entrepreneurial role and New Urbanism was used as a vehicle for the redevelopment of downtown and surrounding areas. Growth machine ideology states that all growth is good, but New Urbanism promotes a specific kind of growth. New Urbanist development projects promote mixed-use, pedestrian projects in which people can live, work, play, and shop. This difference is important because cities were originally designed around these principles and downtown Knoxville's design reflects this history. The decline of downtown left empty buildings that were designed as both residential and business units. The revitalization of downtown required New Urbanist ideas to redevelop the buildings.

At the same time this revitalization occurs, there is a continued push for devolution, decentralization, and privatization in some of the suburban communities. Farragut in many ways can highlight the neoliberal paradigm of urban policy. The privatization of most aspects of culture and life and the dominance of market-values are core ideologies in the suburban development.

## **CHAPTER FIVE**

### **MARBLE QUARRIES AND MOUNTAIN BIKES: INDUSTRY AND TOURISM IN KNOXVILLE, TN**

Cities are increasingly searching for alternatives to adapt to changing economic structures. Deindustrialization and diminishing manufacturing force local governments to pursue new economic alternatives to strengthen their tax base. This process diminishes the tax base of the city, forcing governments to explore other means of generating revenue, such as center city redevelopment and the attempt to bring in high tech companies. In this chapter, I examine how the City of Knoxville pursues new economic opportunities as a source of revitalization and growth. Partnerships with Oak Ridge, outdoor tourism, and festivals and music are all ways in which the City of Knoxville pursues alternative economic alternatives.

Although service industries have grown, Knoxville city planners and government officials have been targeting high-tech and manufacturing industries as a hedge against deindustrialization. The relationship between Knoxville and Oak Ridge and the creation of Innovation Valley highlights this geographic coalition as a technique for development under globalization. Knoxville and Oak Ridge are targeting high-tech industries as a survival strategy in response to these changing national and global pressures. The region is uniquely able to do this because of the Oak Ridge National Laboratory.

Here we can see the dual pressures local governments face as shown by Block (1987). Government must maintain both a favorable business climate and

legitimacy through good economic performance. Local actors highlighted issues such as the south's primarily non-union workforce as benefits for industries looking to come here. The local state must work to create in Knoxville an ideal business climate to attract industry, which includes a push to bring back manufacturing. Although Knoxville's topography makes it more difficult, most local actors interviewed expressed the need to bring manufacturing back to Knoxville.

Deindustrialization and declining downtowns pressured cities across the nation to seek out new economic industries and development programs. Urban Heritage Tourism (UHT) became a strategy in which cities highlight and capitalize on their unique heritage or environment as a way to maintain quality of life and attract tourism and tax revenues (Chang et al. 1996). UHT is a central strategy used in Knoxville to face the pressures of globalization and it is here that we can clearly see the importance of locality. UHT is based in the uniqueness of an area. UHT argues that cookie-cutter development projects do not draw in tourism. Many of the developers and government officials I spoke with agreed with UHT principles even if they did not use its precise language. People do not visit Knoxville solely because of some restaurant or shop. To draw tourists, Knoxville has to have something unique to promote.

The music scene in Knoxville was highlighted by several actors as something unique to Knoxville and something that should be exploited. Knoxville's location between the north and the south and between the Mississippi and the East Coast make it a convenient stop for traveling bands. Furthermore, Knoxville is often



credited with being one of the birthplaces of Americana and country music. WDVX is a local radio station that has been nationally acclaimed for its bluegrass programming, but the music scene has not been an area city powers are pushing as hard as the Outdoor Knoxville program.

Where Knoxville has really been pursuing tourism is in the Outdoor Knoxville program. The program is a multi-faceted approach to developing the recreation tourism image of Knoxville. Developers, government, non-profits, and community members are all involved in this effort. Facets of local geography facilitated this effort. For example, Knoxville's marble quarry production history left large acres of land unsuitable for other development. Knoxville capitalized on this to create over 50 miles of trails just a few miles from downtown. The Tennessee River which flows south of the center city also creates unique advantages for recreation tourism. Here it again becomes apparent that although global processes impact Knoxville, local history, environments, and actors play pivotal roles in local development.

Knoxville's UHT program is evident in its Outdoor Knoxville program. Exploiting the natural environment has given the city opportunity to capitalize on Knoxville's unique landscape and history. As we see in the interviews, this is done ostensibly first to maintain quality of life for the residents, a use value, and then second to draw in tourists and make the city more attractive for business, an exchange value. With Outdoor Knoxville, there has been a real concerted effort between the different governments, private entities, non-profits, and other

community members with the biggest donor to Legacy Parks being Pilot Corporation<sup>14</sup> (Neely 2012).

With the decline of manufacturing in Knoxville, although city still pushing this we can clearly see a development program that is centered around tourism and urban heritage tourism specifically. Knoxville's quarrying past and geography have created a unique foundation for the city to capitalize on. Many government officials, developer, and other actors have recognized that for Knoxville to become a tourist destination, the city must be something unique and unlike anywhere else. Tourism may not be driven only by the restaurants, shops, and chain stores that dot Knoxville's landscape, but by the recreation and other heritage destinations or activities that the city has. In addition, we can see the increase in festivals and the importance of the music scene as evidence of other attempts to increase entertainment opportunities in Knoxville

Despite the pervasiveness of globalization and the accompanying rhetoric that place does not matter, local character has become an important resource for city survival. Tourism and entertainment, local heritage and local environments have become incredibly important to development of urban areas. Knoxville's location is an important part of our music scene, as we are an intersection with much of the country in addition to being the cradle of Country Music. Outdoor Knoxville and The Urban Wilderness project is very unique and very dependent on

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<sup>14</sup> Pilot Corporation is a national gas station company that is based in Knoxville and was started by James Haslam II.

both Knoxville's history and its geography. The geography is obviously a necessary part of the program with the temperate forests, waterfalls, streams, and the lake. Furthermore, Knoxville's manufacturing and quarrying history created the quarries that the trails wind around and people swim in. Place and history is also important when discussing Knoxville and Oak Ridge. Many actors highlighted the importance of this relationship in the push to bring manufacturing and other industries to Knoxville. Here, we see on one hand global processes have influenced local development. On the other hand, place matters in the effort to maintain both quality of life which has been thought of as use value and in the attraction of visitors and tax revenues, a globalization strategy to promote exchange value.

### **Luring Industry to Knoxville**

The City of Knoxville targets high tech jobs and the recruitment of high tech industries as strategies to hedge against deindustrialization. Of course, Knoxville's location makes it unique with Oak Ridge being just 17 miles away. Oak Ridge National Laboratory (ORNL) is the largest U.S. Department of Energy Science and Engineering Lab and employs more than 4,400 people and adds more than \$274 million in annual wages (Tennessee Department of Economic and Community Development 2016). To many people, high tech was seen as a survival technique in today's globalized economy. Instead of Knoxville competing with Oak Ridge, they have created a relationship in Innovation Valley. This use of widening locales can be seen as a globalization strategy, even if the actors do not recognize

it as such. Knoxville/Oak Ridge Innovation Valley (2016) is a 25-mile “technology corridor” that is a collaboration between Oak Ridge and Knoxville to bring high-tech jobs to East Tennessee. As their website states:

Experience shows that a regional approach to economic development offers the most advantages to both businesses planning a corporate relocation or expansion and the communities involved.

One member of the Knoxville Chamber of Commerce described it as follows:

We have targeted industries. Automotive, plastics, and materials-materials are everything from composites that makes boats to carbon fiber, which is extremely strong. Everything's going to be made of carbon fiber at some point in time- very light, it's cost prohibitive. Oak Ridge is developing it in a way that will be able to take it to the marketplace in mass in a very few years and that's where we need to be. We need to be, in other words we are doing about thirteen targeted industries, biomedical, we spend a lot of time courting those companies that are in and you can go in our website and under Innovation Valley you can look at the targeted industries. But renewable energy is extremely new (2012).

Locale and local history still matter. Having ORNL so close to Knoxville is a huge benefit to the area. Furthermore, Knoxville also is home to the University of Tennessee (UTK). UTK and Oak Ridge National Laboratory created The Bredesen Center for Interdisciplinary Research and Graduate Education in 2010. The center is home to two different graduate programs designed to advance energy research through science, engineering, technology, and mathematics. This is further

indication of the viability of the geographic coalition. The implication of place remains incredibly important to the city's recruitment of industries and companies.

The relationship between Oak Ridge and Knoxville is often highlighted by government officials, journalists, and developers as being very important for the growth of this area. Indeed, the formation of the Innovation Valley has been a collaboration between Knoxville and Oak Ridge to highlight the benefits of the area to target the following thirteen key industries: Agricultural research and development, materials science, media technology, nanotechnology, renewable energy, automotive suppliers, pleasure boat manufacturing, warehousing/distribution, logistics services, regional headquarters, shared service facilities, venture capital firms, and retirement services.

A developer also mentioned the proximity and relationship with Oak Ridge as one of the driving forces behind industry and manufacturing in Knoxville.

You still get a lot of technology companies in one form or another typically not like software or anything like that, but hardware type companies coming out of the technology that is researched at Oak Ridge. Like the Spallation Neutron Project<sup>15</sup> that will have great use in the automotive industry, right? Well, now that Volkswagen is in Chattanooga, will you get other related industries using nanotechnology developed here in Chattanooga and maybe they locate in Knoxville to be close to those places. So you get a lot of

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<sup>15</sup> The Spallation Neutron Project is a \$1.4 billion science project that produces the world's most intensely pulsed neutrons. This project provides many different possibilities for research for physicists, biologists, and chemistry. Researchers from all of the world come to Oak Ridge to conduct research (Munger 2015).

that. CTI (Molecular Imaging)<sup>16</sup> which created the scanner that's a brain scanner; they are based here in Knoxville. Four guys in a garage that came out of the labs started that and built it into what it was and then later sold it to Siemen's. Then those guys are still here creating different industries. You got one guy came out of there and was responsible for creating IdleAir.<sup>17</sup> Another guy is doing health care and cancer therapy through new like proton type distribution drug on Dowell Springs (Blvd),<sup>18</sup> he has a whole wellness center and stuff like that. So those guys are still here (and) that came out of technology or that was research development at the national labs (which) sparks an idea. Guys go private with the idea growing into something else and it provides hundreds of jobs and industry in the area. But ...I don't think we are doing a great job of recruiting industry into Knoxville. We've done a lot of growing our own. Clayton Homes<sup>19</sup> is a good example of that (2011).

When asked about industry in East Tennessee, an official from the City of Knoxville said:

If you look at the Innovation Valley strategy which a lot of our economic development strategy for recruitment and ...we approach

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<sup>16</sup> CTI Molecular Engineering was founded in 1983 and is based in Knoxville. The company is now call Sieman's Molecular Engineering, INC and "clinical and preclinical imaging systems, such as SPECT, SPECT CT, and PET CT systems, as well as reading solutions; and biomarkers for radiopharmaceuticals" (Bloomberg 2016).

<sup>17</sup> IdleAir Technologies was a company that aimed to let truckers rest without having to leave their truck's engines running. It went bankrupt in 2008. It was then started up again, and closed in 2010. In early 2012, it was announced that Convoy Solutions would restart the company in two dozen locations (Marcum 2015).

<sup>18</sup> Provision Center for Proton Therapy opened in 2014 in Knoxville. It is one of two centers in the Southeastern region of the United States that provide this cutting-edge cancer treatment (Provision Healthcare 2016).

<sup>19</sup> Clayton Homes (2016), which is located outside of Knoxville in Maryville, TN, has been building manufactured homes since 1956. It is a leading manufactured a modular home builder in the country.

it three ways- recruitment of new businesses and expansion, retention of current businesses and then growing new businesses. So there is a focus on the Innovation Valley.... They did some research and identified certain sectors of industry that were natural fits either because of our location, or the kind workforce that we have- Oak Ridge, UT, TVA, you know those kinds of things. If you look that up, you can see the kinds of things that they are focusing on and it's a variety of stuff...Some businesses are very much place based. They have to be a certain place next to a certain kind of workforce, or a certain - the river or the rails or whatever, but with the whole information technology world out there today, there are a lot of businesses that can be anywhere and I like those kinds of businesses because they tend to be very creative people and we need to focus on that kind too. You know, it's a diversity of sectors that you want here (2012).

But as a member of the Knoxville Chamber of Commerce noted, in some way all jobs are high-tech in some way now.

The companies that are intellectually driven as opposed to simply capital driven and the companies that are, I can tell you, I hate high tech because everything is high tech, there is nothing that is not. If you are going to survive you are going to be technologically driven or you are going to be beaten by your competition whether you are a travel agency or an automotive (agency). You have to be totally automated, you have to be digitally driven and that includes publication and so if someone says we need high-tech jobs, they're all going to be high tech jobs if they are going to exist... Emerging technologies that have market implications, I think, will bode well in

the future because people just really don't have the money to set up a lab when they can go access and use a national lab themselves too and the research at the national lab to develop their product. Labs will do the baseline product but the baseline research but the application, if someone has an application for that research has to take it further in order to develop it for their product. Being able to coexist with a national lab greatly reduces their cost and therefore and shorten the time from research to market (2012).

Developers have a similar opinion about encouraging manufacturing in Knoxville:

Yeah, I think that's very possible and even on a larger scale as economic conditions change in places like China where labor has been so cheap. You know there's this idea that the presidential debates right now are about the idea of whether or not it's all service and technology jobs that we need that are higher paying jobs versus just manufacturing but some of the presidential contenders are saying. "Well, wait a minute let's just not say we can't do manufacturing in this country again." Right? Because I think we're finding that Toyota, Volkswagen, Honda, BMW, Mercedes, all those, particularly in the South, can because of non-union labor can produce whatever the product is sometimes cheaper than shipping all the components over or shipping the vehicles themselves from a foreign country. You know, one time you know when Nissan was in growth, and Toyota too, everything came in through imports and now we are building everything here... Our location, we don't have a lot of industrial land and that's an issue there. Because of the topography and the way things are developed you can't just find tons



and tons of acreage. That's why Midway<sup>20</sup> was such a big deal. We lost that and that was a grave error. You know, if we want to recruit jobs to this area you have to have the land. Chattanooga is a perfect example of that. Land banked that ammunition, munitions plant for years and years, went ahead and prepared it as a super-site and then was ready to make the pitch when the manufacturing concerns came calling. And look what happened, look what will happen. So we aren't doing that, because we care so much about what one neighbor says about not in my backyard. That dictates a lot of what we do. And that has to do with just the officials wanting to get elected. Which is just stupid. It's stupid, they should lead like they want to get fired, not like they are trying to get elected (2012).

Although there has been a movement away from manufacturing, many government officials and business leaders in Knoxville are pushing to bring it back to the area. One top member of the Knox County Mayor's office said the following:

I think we should look at manufacturing...I know they want, they talk about our best and brightest students, you know in these high tech jobs, well the majority of the kids are not going to go to college or graduate. We've got people that will work if we could just train them in a trade, we've got these mechanics that make hundreds of thousands dollars a year and .....it's more of a hands on kind of thing and you'll find that the high-tech jobs generally, they look good and they have sort of a low impact but for the masses you can't beat manufacturing. And it's not going to be like I said a big Volkswagen kind of thing, it's going to be more of a smaller type deal- these 20,

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<sup>20</sup> The Midway Business Park is a controversial 380-acre business park that was voted down in 2010, but was eventually passed by the county government in 2015. A lawsuit was filed by a local activist community group in February of 2016 to stop the development (Donila 2016).

30- I was talking to these guys this morning, 50 people and they top out at 100, that's a home run as far as I'm concerned. Because those are great jobs and they pay well and they're good neighbors and they're family people and they're going to come here and stay and that's a better community (2012).

Volkswagen comes up often as a model since the new \$1 billion plant opened up in Chattanooga in 2011. To some local leaders, it's something to work towards, while others do not like the idea all that much.

Manufacturing, chambers of commerce, and all these people they don't like industries where they get their hands dirty. They say they do, but they want the high tech, the Volkswagens, and stuff like that. But we aren't going to get a Volkswagen because we don't have the topography. Volkswagen was built on a brownfield where it was an old munitions plant from back the second world war. (Senator Bob) Corker and a few of those other people paid a whole lot of money to have that area, they brought in clay I guess and sealed it and it's a brownfield. I've sponsored legislation on brownfield so I know a little bit about it and there's certain tax credits and you know they pay big money to get that in here... But yeah, I think we need to push towards that. I think we've gotten away from the trades and there's nothing wrong with someone who works, sweats for a living, and there's a lot of pride in those kind of jobs. Like I said, they're some of the finest people I know and they'll never be a member of a county club (2012).

Again, there are different perceptions of what Knoxville should or should not be addressing in terms of manufacturing and industry. A member of the Chamber of Commerce mentions several different types of manufacturing:

Manufacturing (is) back full throw. It cut back because a lot of ours is secondary suppliers. Automotive (is) back to full throw so a company that builds torque convertors is working three shifts. They were down, they had laid off a lot of people on one shift just simply because it's a progression. They've got a product, they improve it, it goes down the line, and there's a sequencing effect, but manufacturing is back at it full throw. For every manufacturing job you get two and a half or three jobs created ancillary to that.... A lot of people think in terms of "All right we got Volkswagen locating and that's the job growth" and the real juice to Volkswagen was the 1000 jobs and not just the 1000 jobs, it's the jobs that get created because of that. We brought Green Mountain Coffee to Knoxville and they brought 220 jobs when they opened up, they're up 980 jobs now. That's not far off from (Volkswagen) and their salaries are extremely competitive and their benefit package is outstanding. That pretty much starts to look pretty much like an automotive deal and there's so companies you've brought in four years ago are paying dividends (2012).

### **Urban Heritage Tourism**

Urban Heritage Tourism (UHT) is a development program that many cities pursue as a reaction to changing global structures (Chang et al. 1996). In a UHT development program, cities capitalize on their unique characteristics to bring in tourism. Therefore, despite changes in structures because of globalization, UHT is highly localized. Cities must work to make themselves unique and stand out from other cities. As Law points out:

It is very unlikely that visitors will want to travel to clone cities; hence the need for cities to develop something either distinctive or

specialized. This can be based on something inherent in the place and its history, or a theme which has been identified (1999).

Currently, the City of Knoxville utilizes a variety of different methods to capitalize on its distinctive characteristics. Knoxville has a unique history and geology that has given it a competitive edge when it comes to UHT. This is not a new phenomenon. Historically, Knoxville identified itself as the gateway to the Great Smoky National Park. The problem with that appeal was that it actually encouraged people to leave Knoxville for recreation. As one journalist pointed out:

You see some promotional material from Knoxville in the sixties and they showed Knoxville, TN and they showed people on houseboats and lakeside stuff and there's not much of that going on in Knoxville proper, but they don't realize that in Townsend and that stuff that is near Knoxville, they are getting people out of Knoxville to go to these places. It, in some respects, it does make the community seem more appealing to move to because you have these opportunities nearby, but at the same time... all these people who now spend their weekends hiking in the Smokies or in Frozen Head or something else, or you know, boating in the several area lakes within an hour's drive. Those are people who used to be spending their time in Knoxville on weekends and looking for stuff to do (2012).

The exodus of people in Knoxville to the surrounding areas began in the late 19th century and continues to the present day, although this is one of the issues Knoxville's government and other agencies are trying to address. In the early 20th century, Knoxvillians were enamored with the Great Smoky Mountains

National Park, even before it was officially established in 1934. According to a journalist,

A whole generation of well-heeled progressives in the twenties and thirties that were fascinated with the Smoky Mountains, and you wouldn't believe how many tens of thousands, hundreds of thousands of dollars from Knoxville in those days went just to the Smoky Mountains...That was the main focus of so much work and people not only spent their money there, they spent all their time there (2012).

This trend continued into the 1960s and 1970s with Knoxvilleians heading to the different lakes almost every weekend. As one journalist noted:

The TVA lakes came on right about the same time when I grew up. I grew up in (Knoxville) and when I was a kid and if you didn't have a lake house or a houseboat you were lonesome on the weekends because everyone left. Everyone left town in the '60's and people just were gone, and you were lucky if you got invited to go water skiing or something like that. Douglas Lake or Watts Bar Lake or somewhere else, but you would stay overnight with people in their cabins... People just evacuated the city of Knoxville (2012).

Knoxville's reaction to this tourism dollar exodus was to pursue and eventually hold the 1982 World's Fair in town. As it was discussed in the section on Knoxville's history (Chapter 3), the World's Fair did not spark the revitalization that the city had hoped for.

## *Outdoor Knoxville*

In 2012, the City of Knoxville announced a new initiative to pull outdoor enthusiasts into the city, as opposed to encouraging them to go the neighboring lakes or the Great Smoky Mountains. Outdoor Knoxville center was opened in May 2012. According to their website:

Outdoor Knoxville is an initiative to make Knoxville's incredible natural and recreation assets an economic driver for our region. Led by Legacy Parks Foundation, the effort aims to increase our outdoor amenities, create better access to recreational areas, and promote greater participation in outdoor activities.

Health and quality of life are now key determining factors in where people and businesses choose to locate. Our outdoor recreation opportunities can compete with any in the region, and are attracting participants from all 50 states and other countries(Outdoor Knoxville 2016).

Outdoor Knoxville is run by Legacy Parks, a non-profit founded in 2005 whose primary goal is to conserve green space. According to Carol Evans, director of Legacy Parks, the idea of pushing Knoxville to become an outdoor destination has been discussed for the last decade, but it has only been within the last year date? that Knoxvillians have begun to see the city this way, despite having had many outdoor destinations in town for several years. Ijams Nature Center a 300-acre park of protected wildlife habitat and natural areas. It is located in South Knoxville only three miles from downtown and has over ten miles of hiking trails. In the metropolitan Knoxville area there are more than 150 miles of paved and natural trails. The Tennessee River runs to the south of downtown and Knoxville

has created a waterfront development with fountains and parks. There are more than 30 outdoor clubs focusing on hiking and paddling and many other outdoor activities. The Knoxville Track Club hosts a trail racing series with a monthly race in different parks and recreation areas. Despite all this, many residents did not see Knoxville as an outdoor destination.

One Knox County government employee described it:

I think there was a time when there was a lot of money and interest in building greenways on a federal and state level because they had money to do it and it was a trend in funding these things at the federal level, but Knoxville wasn't ready for that. So we kind of missed the boat, but now we are ready and we want all the money and all the planning help and we want the projects, but it's over. The funding is gone because of this that or the other. I feel like one thing that has changed is Knoxville's finally catching on to the fact that greenways and parks and recreation and green space are assets to the quality of life and it's cool to have it, but there is a missed opportunity almost like the whole south waterfront project but it's a missed opportunity because the zest is gone. Whether the zest is money or the zest is just interest and support from people. I think the community supports it, but the politicians that are upper level that are giving the money to Knoxville don't have money any more but we are like, "Wait! Wait! Hold on we like that now!" When before when they had money they were like we don't like greenways, greenways are scary (2012).

Knoxville is starting to get national attention for this development. One of the newest recreation areas in Knoxville is the Baker Creek Preserve. The 100 acre was donated to Legacy Parks by a private family. The majority of the trails

were financed by a \$200,000 grant from the Tennessee Department of Conservation. The Devil's Racetrack Downhill Trail is a 0.08 mile, professionally designed extreme downhill trail funded from a \$100,000 grant awarded to the Appalachian Mountain Bike Club (AMBC) by Bell Helmets. The AMBC began an aggressive campaign to win the grant, awarded to the city with the most votes in a national online poll. Knoxville won with 26,000 votes, beating out major outdoor destinations and large cities such as Asheville and San Francisco.

In the September 2012 issue of *Backpacker* magazine, Dorn (2012) writes about the newly developed Urban Wilderness South Loop (See Figure 8.1), a 12.5-mile hike in South Knoxville that starts two miles from downtown. He describes it as "a barely developed playground of ravines and creeks and temperate rainforest... (It's) a model collaboration between government, business, and disparate user groups" (2012:15).

The creation of the Urban Wilderness South Loop has been a collaborative effort from government, corporations, non-profits, and individuals. One employee in Knox County government described it as such:

Knox County is involved as a partner. Legacy Parks is really the spearhead of the Urban Wilderness and we are involved with Legacy Parks as a partner. Legacy Parks is sort of this entity that can lobby for things that maybe the government entities can't and they can acquire land a lot easier than we can. They can accept money easier than we can and then they can give us their land or their money or take the money buy the land and then give it back to us in a way more efficient manner than we could do it... There's a lot of different



models of park departments that have these foundations, that make these things happen that government entities can't make happen, but they are still partners. So, it really is a neat relationship and Legacy Parks as being a nonprofit, they are able to make better partnerships. They are able to go knock on doors a lot easier than I am. I can't go knock on someone's door and be like, "Hi, I work for the government," but somebody else, "Hey I work with this group and we are all about..." They might be trying to do the same thing I am but I work for the government and they work for a nonprofit. It sinks in totally different (2012).

Support has come from corporations such as River Sports Outfitters, a local outdoor retail store, and private individuals.

We didn't even realize how unique it was until Carol and Brian Hamm, Brian is the president of the Appalachian Bike Club, who's been really the grunt work. They've built every single inch of all these trails and Carol has provided the money and the cookies and the beer. So what we have now, we have an established loop, we have signage. The signage (see Figure 8.2) was, a private donor came up because they saw all the news and the paper and "I want to give you money how much do you need?" We've had private property owners say, "Hey I live in South Knoxville, I want to give you some of my land to put a trail, I want a trail." Not only are we asking people to do it and knocking on doors, but people are coming to us and it's amazing. People weren't for it before but now people are like this is awesome. It's part of my life, it can be a community asset. It's a regional asset. It brings people here and it makes community people meet each other. I don't know, it just brings people together. It's only going to grow more (2012).

Of course, not all government officials approve this plan. Knox County government recently voted to stop the \$50,000 annual seed money to Legacy Parks. As one high ranking Knox County official said:

People say we need more parks, we need more parks, but the reality is when you put more parks in, it takes property off the tax rolls. We've got parks now where people can't go because of male prostitution and other things, drug dealings that go on and you can't just control them.<sup>21</sup> You've got lighting, you've got vandalism, you've got law enforcement, you've got all those things and you know government owns over half the property if you figure state and federal and local in this country (2012).

Despite some resistance by government officials, this development is continuing to grow. One journalist described it as such:

They have been talking about the heritage trail thing, on the south side, which is, will be just amazing if they finish it. There's nothing like that... It's miles long, this projected thing and already it's kind of neat they have ljams is like nowhere else in the world that I know of. It's just an amazing place to especially be so close to a city but any place no matter where you are to have such a diversity of scenes in one walkable area is kind of amazing (2012).

Another developer also highlighted the Urban Wilderness as a draw for tourists and the need to have something like that to draw tourists to Knoxville.

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<sup>21</sup> In 2012, a married Knox County Commissioner was arrested in Sharp's Ridge Park in Knoxville engaged in sexual activity with another man (Hickman 2012).



Figure 5-1: Knoxville's Urban Wilderness South Loop  
Source: Ijams 2012

For instance, there's a real trend nationally and internationally toward recreation tourism, right? A lot of that has to do with urban markets, right? So the Adventure Race here in Knoxville has been very popular will get more popular. Look at our, our -what do we call it- our Urban Wilderness, you know in South Knoxville and things like that. So those kind of things should be more popular from a tourism standpoint than just a I want to go to this downtown because it's got a few good restaurants that I like (2012).

Early in Knoxville's history, its pink marble provided building materials that were used both locally and nationally.<sup>22</sup> For example, the pink marble quarried here was used to build the National Gallery of Art in Washington, D.C. This element of Knoxville's manufacturing past actually helped the building of the Urban Wilderness South Loop. An employee with Knox County Parks and Greenways described it as an odd benefit when asked if the environmental problems Knoxville faces will impact the development.

I think, it has almost helped because a lot of the land that these trails are on are old abandoned quarries that are environmental disasters, but nobody else can do anything with them or it takes so much effort to do the remediation that's required to do a house or something else. So it's just abandoned land or neglected land that has had illegal dumping but you can get the land for cheap and then clean it up and you are just putting a trail through it. It's very rocky. You couldn't put a house because you can't get... there's no sewer in a lot of places in south Knoxville. You can't do septic because there is no percing<sup>23</sup>.

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<sup>22</sup> Knoxville pink marble is actually limestone (Powell 2005).

<sup>23</sup> Percing is short for percolation and describes a process of obtaining septic approval for a lot (Laurence 2016).

Well, what are you going to do with this parcel of land that has 4000 tons of asphalt shingles on it? We are going to clean them up and put a trail going through it (2012).

Finally, the Outdoor Knoxville program is designed as both recreation for Knoxvillians and also as a destination for tourists to come visit Knoxville. A Knox County employee described it as such:

I really think that the major effort is to create a community that people that live here enjoy and then beyond that, when that becomes successful, they want to start bringing people in. They're almost like using the people here... "What do you want? What makes you happy? What do you do when you leave here and go somewhere else? What are we lacking? Let's put it here, because there is someone like you who is going somewhere else and they can come here." So they are feeding off people who live here, what will increase our livability as a community and just put us on the map as an awesome place to live but then an awesome place to visit too. We want people to want to live here, not just visit here, first, but then we do want people to visit here and use these trails. We definitely want it to be a destination, but I think first off we want it to be a place where you want to live (2012).

Before the announcement of the Outdoor Knoxville program, I interviewed a high ranking official in the City of Knoxville. She hinted at the development program and emphasized its benefits for both community members and tourists.

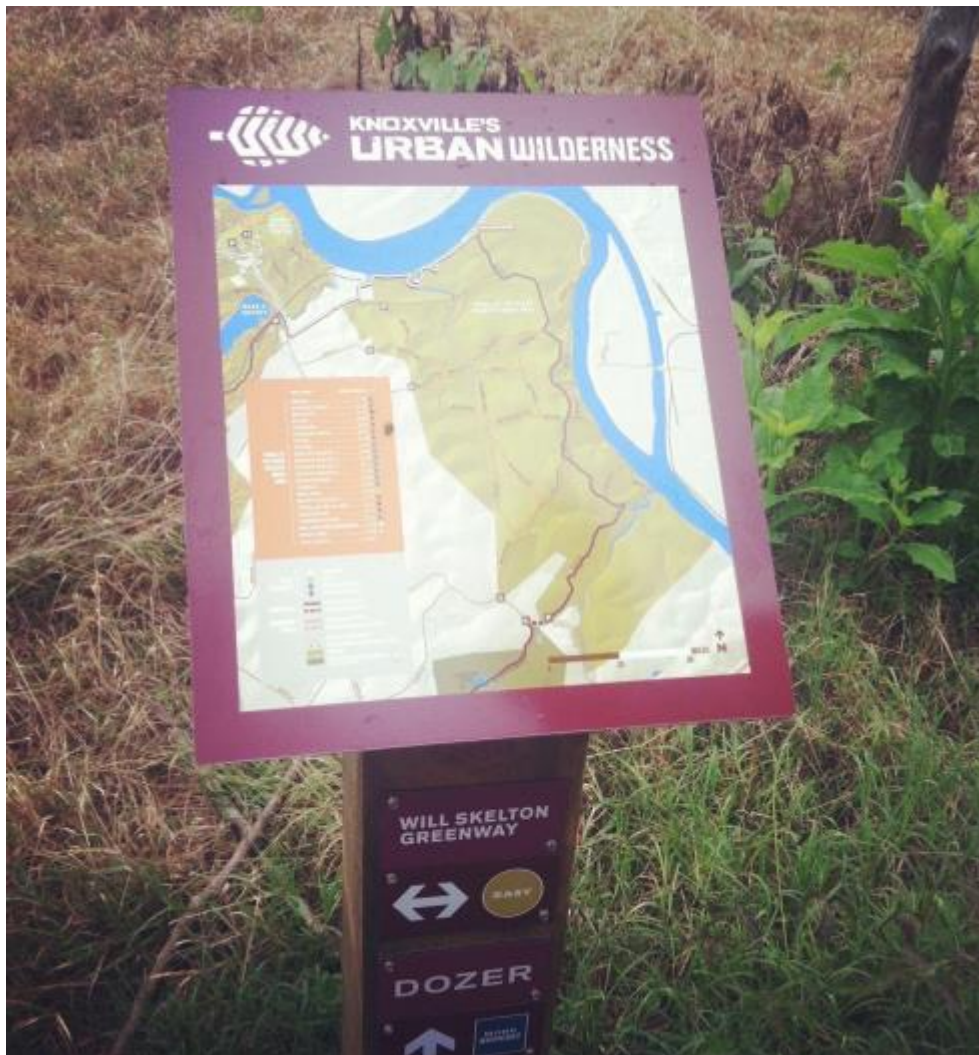


Figure 5-2: Knoxville's Urban Wilderness South Loop Signage  
(Photo by author)

The 1000 acres again,<sup>24</sup> will be a huge attraction and the Appalachian Mountain Biking Club that is, with volunteer labor, building something like 30 miles of trails within three miles of downtown- hiking and biking trails. So we have all this great stuff, that's great for us, number one, and part of our plan is to improve access to the river so there are more places to kayak and canoe. So, we've got a lot of great things for people to come and see and enjoy, but it's also stuff that we can come and see and enjoy and utilize on a daily basis. I think we need to continue to build those things that are authentic to us and are stuff that we enjoy and then market it for people to come (2012).

This outdoor tourist initiative is new and the economic or social consequences are not fully known. Not all community members support these initiatives. Road closures for races can increase traffic congestion and make it more difficult to navigate the city. It was just announced that the 2017 U.S. National Road and Time-Trial championships will be held in Knoxville (Rogers 2016)<sup>25</sup>. Environmental concerns are also not known at this point. Although conservation of land from development is often a good thing, there can be environmental consequences to outdoor recreation areas. This is not a new idea—Hardin wrote of the “tragedy of the commons” in 1968. He spoke of the National Parks, which are obviously much larger than Knoxville’s Urban Wilderness, but we cannot ignore

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<sup>24</sup> The 1000 acres is a nickname for the area near downtown where much of the urban wilderness trails are located. “Knoxville’s Urban Wilderness begins with the 1,000-forested acres along Knoxville’s downtown waterfront that includes ten parks, more than forty miles of recreational trails, four civil war sites, incredible views and unparalleled natural features” (Legacy Parks 2016).

<sup>25</sup> Although this was announced on the Cycling Tips website, the local biking club pointed out that it is not official yet.

that there could be environmental consequences for this aggressive outdoor tourism campaign.

### *Music and Festivals*

Although Knoxville may not be the first city that comes to mind when thinking about music in the United States or even in Tennessee, but there are some people who argue that it is an up-and-coming city with a very successful music scene. An article published by the Bluegrass Situation in 2015 argued that “Humble Knoxville, dead east of Nash Vegas (as the locals like to refer to their cross-state rival) may well be on its way to becoming Tennessee’s—no, make that America’s—current spawning grounds for the next new wave of Americana music” (Zimmerman 2015).

Knoxville is home to many different theaters such as the Bijou Theater, The Square Room, and the Tennessee Theater, but as the community member pointed out, there is arguably a lack of choices in size, scope, and atmosphere of the venues. Knoxville is also home to A.C. Entertainment, an internationally recognized music promotion company that holds over 1000 concerts across the nation every year. Knoxville is also home of Brian Bell, guitarist from Weezer; Kenny Chesney, a country music singer; and other, less-known country singers. Chet Atkins, Roy Acuff, Dolly Parton, and the Everly Brothers all got their start in Knoxville.

Basch of the East Tennessee Historical Society points out that before 1921 there was very little recorded country music in America (2011). Knoxville is considered by some as the cradle of country music for its role in helping to change



that. The Sterchi brothers owned a small furniture store on Gay Street in the 1920s. In order to try and help boost sales and market the folk singers of East Tennessee, they began sponsoring both radio stations and musicians. The brothers paid for early country singers such as George Reneau, Charley Oaks, Lester McFarland and Bob Gardner to travel to New York and record songs such as “On Top of Ole Smoky” and “Turkey in the Straw.” The Knoxville Sessions of 1929-1930, also known as the St. James Sessions, solidified Knoxville as a major player in the early development of country music. At the time, Tennessee did not have a record studio and most of the country music was produced and recorded in New York. The sessions occurred as one of the nation’s largest record companies, The Brunswick/Vocalion label, set up a temporary studio in the St. James Hotel. Hundreds of musicians showed up to record their songs (Stomp 2016). WNOX, Knoxville’s first radio station, began playing the records and paying the musicians which allowed the musicians to stop scraping together a living and focusing more on their work. In 1932, Roy Acuff played his first performance at the Tennessee Theater. He would later go on to be a main star of the Grand Ole Opry.

The last few years have witnessed the opening of several new music venues. In 2014 The International and Scruffy City Hall opened. Scruffy City Hall is located on Market Square and is owned by Scott and Bernadette West, owners of Preservation Pub, Knoxville Uncorked, Earth to Old City, and the Market House Café. The International is located northwest of Market Square and hosts a variety of music and other artists. The Mill & Mine, a venue with a 20,000 square foot

concert hall, opened in 2016. As Knoxville models a development program based on UHT, one of the major areas that government and other organizations are pursuing is developing the music scene. As one journalist pointed out:

You'd like to have something that stands out and is distinctive and I think that one thing we've talked about is trying to push the music angle, especially the particular music that people tend to call Americana, but even though a lot of people in Americana hate the term Americana, but that is something that the city has a genuine birth right to. There are a lot of other cities that do too, but Knoxville has so many connections to early country music and blues and some other different kinds of things. It's something we could tout with some sense of authenticity (2012).

A community member agreed that the music scene is something Knoxville should capitalize on.

Knoxville's number one advantage over all other towns- we have more music than Austin coming to our town... Since we are dead center between the North and the South and the Mississippi and the East Coast, we have always been the most convenient tour stop for any band coming from New York, Atlanta, anywhere. Country music came out of Knoxville, Nashville just created the recording studios for it (2012).

He, however, does not agree with the way the City of Knoxville and developers are pursuing this.

The number one problem for this incredible music scene we have is fucking venues.... The metal people were doing all these shows out

of rental sheds. You know we get stuff coming out, these incredible acts coming, like the Red Hot Chile Peppers playing out of a little slot of a space on Market Square where they first came out but we have these convention centers that are fucking empty all the time, that are empty because they are way too expensive (2012)<sup>26</sup>.

Beyond the music venues, the University of Tennessee School of Music is nationally acclaimed program with Donald Brown, an American jazz pianist and producer, as an associate professor of jazz piano. WDVX, an independent, listener-supported radio station, officially went on the air in 1997. WDVX hosts the free lunch concert, Blue Plate Special, highlighting local and touring musicians. AC Entertainment was founded by local music manager, Ashley Capps. AC Entertainment began managing the Tennessee Theatre and added the Bijou in 2005. Since then, AC Entertainment has grown dramatically. Currently, they produce over 1000 concerts annually as well as festivals such as Bonnaroo Music and Arts Festival, WayHome Music & Arts, and the Big Ears Festival (Flory 2013).

Festivals are another way the City of Knoxville attempts to capitalize on tourism, music, arts, and culture. Major festivals in 2016 include the Dogwood Arts Festival, Rhythm N'Blooms, Earthfest, Rossini Festival International Street Fair, Scruffy City Film and Music Festival, Brewhibition Craft Beer Festival, Knoxville Stomp Festival of Lost Music, Vestival, International Biscuit Festival, and many more. Boosters argue that festivals have a great impact on the economy. The

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<sup>26</sup> This interview was conducted before several of these new venues opened.

Marketing Manager for the Dogwoods Arts Festival highlighted that in 2014, their three events—Chalk Walk, Rhythm N’Blooms, and Dogwood Arts Festival—produced \$6.2 million in economic impact just in Knoxville (Warnke 2015). As one journalist mentioned:

Festivals are just a huge thing. And that’s really just been in the last ten years. Having real festivals that bring thousands of people and people get excited about... We’ve had festivals that we kind of attend dutifully and so forth over the years but I think when Rossini, the Rossini Festival, that was about 10, 11 years ago but that was one of the first big ones and it’s been consistently big every year. The HoLa festival, the Latino festival and then the Biscuit Festival and the Beer Festival, which actually started a little more than 10 years ago, I think. And it was not that big when it started and it’s gotten bigger and bigger and actually there are two big beer festivals now, you know (2012).

### **Conclusions**

In this chapter, I have outlined how the City of Knoxville has pursued a variety of new avenues to create new economic opportunities. Knoxville has tried to capitalize on its unique history and geography to adapt to changing economic structures. New growth machines have popped up as the city pursues these different avenues. Innovation Alley boosts the Knoxville/Oak Ridge area as the place to come for high-tech industry. Outdoor groups such as the Appalachian Mountain Bike Club become boosters for Outdoor tourism. AC entertainment and blogs such as the Knoxville Music Warehouse boost the music scene in Knoxville. Many of these initiatives are new and consequences, both the good and the bad,

are not fully understood at this moment. Future research should follow these initiatives to further study the implications of these types of development programs. In the next chapter, I examine specific projects both by government and by private corporations.

## **CHAPTER SIX**

### **MEGAPROJECTS**

Global processes combined with the federal and state structures of the United States government places pressure on local governments to create and sustain wealth in their region. Theory tells us that these processes create competition between cities as they struggle to recruit and maintain revenue-creating industries in their city. In times of declining tax revenues, government becomes an important actor in the urban growth machine because of this dependence on economic activity. In Knoxville, government has been involved in development through tax credits, zoning, codes, road-building, complete development projects, and revitalization programs.

The use of large-scale projects as an urban development strategy has ebbed and flowed throughout the last century. It dominated the postwar period as the Fordist state engaged in massive schemes to attract investments, operate more efficiently, and renew decaying urban centers (Orueta and Fainstein 2008). Then, the use of massive urban projects decreased in the 1960s and 1970s with the move towards decentralization and small government projects (Altshuler and Luberoff 2003).

In this chapter, four mega-projects will be examined. I define a mega-project as a large-scale project led by one developer with at least one anchor. Two of the projects, Turkey Creek and University Commons, use corporate-anchored developments while the other two projects, the Justice Center and the Convention

Center, were planned to be anchored by government developments.

For each development project, both in this chapter and the following one, I examine three components of development—the level of involvement of government in the project, the scale and locale of the project, and the tactics and strategies used by growth machine actors to boost their projects. These components are not mutually exclusive, but instead are closely intertwined with each other and tied to cultural values, existing building stock, and community reactions. Separating them into the three components is useful for organization and clarification.

First, I look at the relationship of government to the development project. Can the project be considered a public private partnership (PPP)? There is not one widely accepted agreement to what constitutes a PPP, they can be broadly defined as a way for government to develop infrastructure or services using the resources and expertise of the private sector (PPPIRC 2016). PPPs are created to combine the skills and resources of both the public and private sector and spread the risk and responsibility to both sectors. However, PPPs are not the only way government can be involved in development.

The City of Knoxville has also used Tax Increment Financing (TIF) and Payment-In-Lieu-Of-Taxes (PILOT) programs to encourage development. TIF is an economic tool in which a geographic area is designated as a TIF district, most commonly because of urban blight. The existing tax base of the TIF area is frozen with new incremental tax money put aside in a fund in which developers can apply

to borrow to offset development costs (See Figure 6.1). Typically, TIFs are ostensibly subjected to a “but for” test used to determine if projects would not be financially feasible without government interference, but there is debate that this is actually the case. For example, in 2006 Knoxville City Council approved a 15 year TIF as part of an already controversial sale of The Candy Factory and seven Victorian Houses surrounding the World’s Fair Park. The Candy Factory is a five story structure built around 1916 for South, Littlefield, and Steere Company, a successful candy making company. The business closed in the 1930s and was used as a warehouse for a department store. In the late 1970s, Knoxville Community Development Corporation (KCDC) took over the building for the 1982 World’s Fair and renovated it to hold offices, art spaces, community meeting space, and a new candy factory (Heritage 2016). Community groups used the space for free meetings and protested the sale of the building to a private developer for condominiums. The TIF will result in \$1.6 million tax break for the developer. Some residents questioned the “but for” logic of this TIF arguing that a developer could have financed the project without the TIF (Hickman 2006).

The PILOT program targets developments that either create jobs or develop an economic-catalyst project (The Development Corporation of Knox County 2016). Property taxes are frozen under a PILOT program for an agreed upon time limit, a maximum of 20 years in the city. In 2003, developer David Dewhirst received an 11-year PILOT to redevelop The Emporium, now home to 40 residential units and the Arts and Culture Alliance of Greater Knoxville. Annual



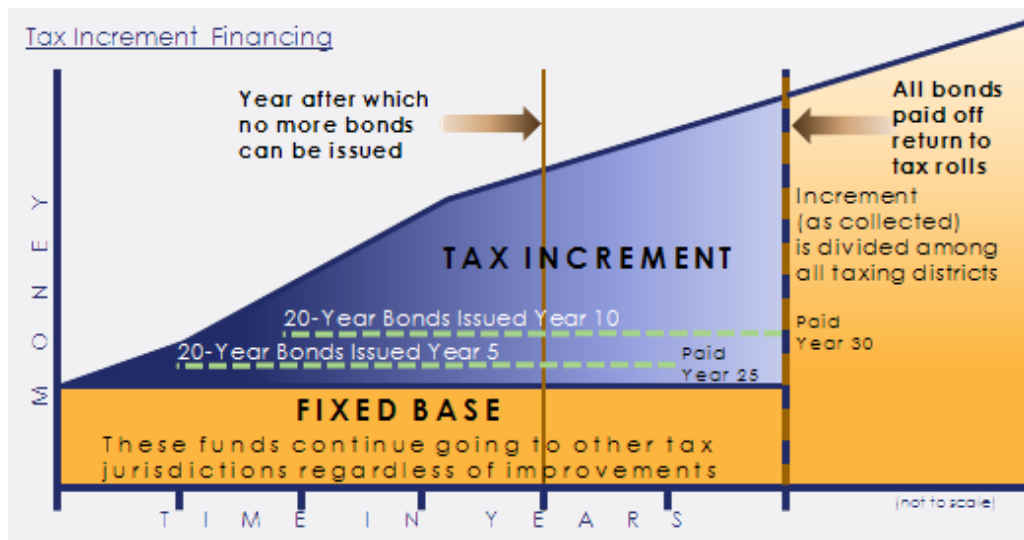


Figure 6-1: TIF Model  
 Source: Smart City Memphis 2012

property taxes on the building were frozen at \$6,490 during the length of the PILOT. As the PILOT ended in 2014, Dewhirst now pays \$62,895 property tax per year (Boehnke and Witt 2016). TIFs and PILOTs are popular development tools in Knoxville; 14 projects have been approved in the last two years (Boehnke and Witt 2016). The second component of each development project is scale and locale. By locale I mean the place of the development project which, I argue, has implications for generating government support, the predominance of local or non-local actors, and the use or non-use of existing building stock. By scale I mean size of the development project, measured both fiscally and physically. Analysis of locale and scale in growth projects underscores the important role both government and media play in processes of urban development. Scale and locale provide the foundation for understanding the third component, growth machine tactics and strategies for different development projects.

For each project, it is useful to understand how growth machines utilize use and exchange value for a project. Do the developers and government officials invoke value-free development and civic pride? What role did the media play in the development projects? How did the community respond? These are all important aspects of understanding the success or failure of the development projects.

All three components are closely tied together to the built environment. The relationship between scale and building stock, and scale and cultural interpretations of land use may be complicated. Rather than scale being determinant, there may be reciprocal or contradictory relations. Thus, as scale

grows larger, existing buildings or land may be threatened. Conversely, the existence of a valued building stock may restrain a project's size. The relationship between building stock and scale is further complicated by the cultural values of the pre-existing buildings. Heritage groups and other use value proponents express public support for preservation of historical buildings or others with distinct character.

Scale is also important because it determines the size of the public likely to be affected by development. The more expansive the development proposals are, the more people become involved in the consequences, both good and bad, of the projects. This is again important to growth machine theory because it has implications for how the constant conflict over exchange and use values will play out, and what actors will find their interests either at risk or favored.

Locale similarly poses implications for which growth machine actors may prevail in conflicts, as well as what resources they may marshal. Actors seeking to develop central city areas defined by both pre-existing buildings and a cultural attachment to the buildings, the environment they evoke, and the lifestyle they facilitate (both in a current reality and a promised future) face certain challenges. Actors seeking to develop areas that are peripheral to cities, on land that is open or has been devoted to other use, such as farmland, face other challenges.

Local control growth machines may be able to exert more influence over central city developments than they would for peripheral developments, and the converse holds true for external actors. Central city growth may be much more

constrained by local histories, especially as they have been celebrated in the existing building stock. These constraints may then favor developers with stronger local ties to prevail in their efforts.

Locale's implications for the involvement of government and public funds intersect with the locale's cultural articulation of downtown. Certain areas may be regarded as sacrosanct, or limited to particular use, which will likely circumscribe the use of public funds to aid growth machine developers. In the presence of a cultural frame that defines central cities as part of an important local heritage, there may be far more restrictions on growth, and those involved with local control may prevail. In contrast, such battles are less likely to be fought on 'empty' peripheral land. The absence of limitations may then make it more likely for external actors and their larger resources to prevail.

Locale may also limit the amount of local opposition if a development is centered in an area peripheral to consistent public usage. Arguments that articulate the ongoing need for environmental protection of land, or preservation of farm use, may elicit less support than arguments for the integrity of central city areas due to the peripheral location of the developments and subsequent limited daily effect on the local population. Finally, locale may limit scale itself. It is likely that more undeveloped land around which fewer cultural and legal battles need to be fought will be found on city peripheries than in central city areas.

The remainder of this chapter will look at the four development projects—The Convention Center, The Justice Center, Turkey Creek, and University

Commons—with regard to the level of involvement of government in the development, scale and locale, as well as growth machine tactics and community reactions.

### **The Convention Center<sup>27</sup>**

The Convention Center is a mega-project financed fully with public funds. The center cost \$93 million with improvements to the World Fair Park, parking garages, and relocation of a utility substation pushing the total to \$162 million (*Knoxville News Sentinel* 2002). The story of the Convention Center highlights the involvement of government in development, cultural values attached to place, and the city boosters' attempts to make Knoxville more attractive to tourists and visitors. In this story, the physical residues of Knoxville's history greatly influenced both the boosters' claimed benefits of the development project and the selection of site. Even though this particular story begins in the early 1990s, the continued impact of the 1982's World's Fair is evident. The idea of a new convention center, or at least remodeling or expanding the old center, began almost as soon as the original was constructed for the World Fair.

In 1993, city officials commissioned a study that showed if Knoxville spent \$90 million on a new convention center it could receive up to \$44 million annually in visitor spending and \$1.9 million in new tax revenue. Booster's argued that a new convention center was necessary and would provide a myriad of benefits to

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<sup>27</sup> The history of this development project is adapted from my Master's thesis (2007: 45-50, 68-70, 84-85).

the Knoxville community (Thomas 1993). For three years the project remained stagnate, but in latter part of 1996 the project began to pick up steam. The Public Building Authority (PBA) was assigned the leading agency in developing the convention complex in May of 1997. Soon after, a study was released that showed how the convention center could lose \$250,000 annually, it could have an overall impact on Knoxville's economy of as much as \$20.3 million.

During summer of 1997, the Knoxville City Council authorized the PBA to select a development site in the Central Business District and develop the facility and the PBA hired Spectator Management Group of Philadelphia, PA, who managed 86 percent of the nation's privately run convention centers, as a consultant. According to newspaper reports, the majority of Knoxvilleians supported the convention center project, but controversies surrounded where the site should be located. The debate focused on two sites, one located in World's Fair Park and the other bounded by Jackson Avenue and Gay Street in the Old City, just northeast of downtown. In January 1998, Mike Edwards the administrator to the PBA, declared that World's Fair Park was the best site for the new convention center because large areas of the area were already owned by the government, making the project less expensive. The land was also flat so development would be easier and the location could tie in the original convention center (Balloch 1998b). Despite a growing movement of downtown business leaders advocating to build the Center in the Old City, Mike Edwards' selection of World's Fair turned the tide.

Even though some downtown business leaders conceded, other Knoxvilleians were not so easily won over. On January 18, four letters to the editor were published in the *News-Sentinel* supporting the Jackson Ave site.

A week later another letter to the editor supporting the Jackson Ave site was written by Harold McKinney, a downtown business owner, highlighting the fact that the city had already attempted to bolster downtown growth by developing the World's Fair site in 1982 and little or nothing was actually accomplished in terms of benefits to downtown. McKinney reiterated that the Jackson Ave site would provide a northern anchor to the southern developments already in process on the riverfront (McKinney 1998). The next day, the board of directors for the Central Business Improvement District (CBID) voted to endorse the World's Fair site as long as the proposals for increased parking and the entertainment complex were fully carried out.

Less than a week later, the *News-Sentinel* reported, "it appears there is a community consensus that a new convention center should be built in World's Fair Park" (Vines 1998). In February, the PBA voted unanimously on the World's Fair site, placing the future of the convention center in the hands of Knoxville City Council. Jim Haslam, PBA Board Chairman and member of the TDO, was quoted saying that he expected the city council to act quickly (Balloch 1998a). This was a deviation from the 1996 plan for downtown development laid out by TDO that fully supported a new convention center, but agreed that it should be located in the heart of the central city on Gay Street. There were, however, possible conflicts of

interest as Haslam, nicknamed the "Godfather of Knoxville" and chairman of Pilot Corp., simultaneously served as PBA Board Chairman, co-chairman of TDO's Convention Center Task Force, and chairman of the task force dedicated to redeveloping World's Fair Park.

In March, the city council unanimously voted to approve the \$127 million convention center development on World's Fair Park. In 2002, the Knoxville Convention Center opened in World's Fair Park. The claimed benefits by the boosters proved questionable. Currently, the Convention Center has a budget of over \$21 million. The 2015 Comprehensive Annual Financial Report of the City of Knoxville showed that the Convention Center is still operating at a loss, but the amount of loss has declined over the years (City of Knoxville 2015). Of the city's long-term debt, around \$115 million or 64 percent of that debt was issued for the convention complex.

Scale and locale were the center of much of the debate about the Convention Center. Most of opposition to the project was not due to the project itself, but to the selection of the site. Building a convention center is obviously a large project, both fiscally and physically. The site in the Old City had more pre-existing buildings and would have made the development more complicated. World's Fair park was deemed a better location for the development partly due to logical considerations such as the land was fairly flat and mostly already publically owned. The location was also fairly unused and the original intention of the World's Fair was to connect the university to downtown. It was hoped that building the convention center there



would accomplish that goal.

Five years after the opening of the Convention Center, Neely described the project as “our blank face of welcome” (2007). There were no signs describing to visitors what lays beyond the six lanes of traffic, no information of downtown attractions. A convention of 18,000 students and families came, but few downtown businesses benefited from their stay. As Neely lamented, “I wanted to grab them by their lanyards and explain a few things. The Convention Center was built, in large part, to draw you paying customers downtown. We need the sales-tax revenue from your purchases in the CBID, which is earmarked for rebuilding the budget. You are, after all, the ones who were supposed to help us pay for the damn thing” (2007).

The Convention Center was obviously a development program led directly by the City of Knoxville. Government led this public development project in hopes of bolstering private investment in terms of hotels and new restaurants and other tourist attractions. Locale and scale impacted the selection of the convention center site, as well as the community reactions to the center. The scale of this development plan was large—building a convention center and hopefully a hotel is an enormous project. In the Old City, space is limited as the area by previous building stock. The World’s Fair site is more open and would make development easier. Community reactions to the selection of the site were also based in cultural values of the land. Many businesses owners and residents in the Old City preferred that for the site. Many other Knoxvilleians supported the World’s Fair site to

hopefully live up to the promise of the 1982 World's Fair—to unite the university and downtown. In this project, it is apparent that the level of government in the project and the importance of locale and scale, especially in community reactions.

### **The Justice Center<sup>28</sup>**

The story of the justice center clearly highlights both the involvement of government in development and the contention within the growth machine of what development should look like, especially in downtown. In the late 1980s a federal order stated that Knoxville needed to build a new jail because of overcrowding. More than any other development project examined in this paper, this project clearly shows opposition between different pro-growth actors in a growth network.

In 1994 a \$49 million justice center in downtown was proposed to comply with the federal order. For almost three years, the proposal lay dormant, but when it finally resurfaced it was so much more than a jail. It was the answer to downtown's development problems. In late 1996, the Justice Study Committee approved a \$132.5 million downtown justice center plan that included an intake center and jail, county courts and offices, the sheriff and police departments, and an Emergency Management Agency.

By late 1997, officials unveiled a new plan for the justice center to the public. The site was bordered by Gay Street and became commonly known as the State

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<sup>28</sup> The history of this development project is adapted from my Master's thesis (2007: 39-45, 67-68, 83-84).

Street site. The center, developed with help by county consultants and Carter Goble and Associates of South Carolina, would be completed in three phases with a new jail and intake center, sheriff's department, and potentially the Knoxville Police Department and State Supreme Courts all included in the first phase. Knox County Commission approved \$89 million for the first phase of the justice center on the State Street site two weeks later. By early 1999, Knox County officials had agreements or closed on 20 of the 27 parcels of land needed for the first phase of the justice center. In April 1999, the first major conflict began as architects suggested that an additional 46,000 square feet should be added to the development pushing the cost from \$89 million to almost \$106 million. In the same month, the county commission considered giving Sheriff Hutchison more control of the development of the justice center and keep the PBA on as a partial manager. PBA Administrator Mike Edwards warned that, "turning over a \$90 million dollar building project to the Sheriff's Department is like turning over control of the SWAT team to the PBA" (Silence 1999). Chief Deputy Dwight Van de Vate argued that the sheriff's department could manage the project for less because they are the ones who would use the center and therefore they are the best judges of what is needed. Even more so, Hutchison was an elected official and would develop the project cheaper because he was accountable to taxpayers.

Knox County Commission approved Sheriff Tim Hutchison to oversee construction of the justice center by 16–1 with only Commissioner Wanda Moody opposing. A few days later, the PBA withdrew from the first phase of the justice

center because they would not be liable for a project they were not overseeing. They would have nothing to do with construction of the two buildings under the sheriff's management. Soon after, Commissioner Moody filed a lawsuit against Sheriff Hutchison and the Knox County Commission, arguing that state law gave Hutchison no authority to oversee construction projects on the county's behalf. Moody also argued that under state law, the county must appoint three to five supervisors to oversee jail constructions

Many downtown business owners and residents supported the justice center when the project included three phases in which courts and offices would be constructed. Such a project would attract a middle-class clientele to be served by downtown business, even enticing some to move to a downtown area where redevelopment was focused on increasing living space. As the scale of the project shifted from this large justice center to a maximum-security jail, much of the support became opposition. Where lawyers and judges would have frequented the justice center, the jail became perceived as a magnet for bail bondsmen and criminals. Several downtown boosters questioned the viability of the claim of other boosters that the jail would spark development in the center city. The contending boosters feared that the project would hinder revitalization and deter potential investors. By January 2000, a large opposition movement against the justice center had grown and secured \$10,000 worth of print and airwave advertisements urging the public to fight the development project.

The justice center opposition movement coalesced around the Internet

group k2k. k2k began in October 1999 by Buzz Goss and Cherie Piercy-Goss as a forum for discussion on downtown development. As debate on the justice center increased, a core group in k2k began using the forum to push the opposition movement forward by planning strategy, announcing meetings, and pushing petitions. In less than three weeks, the group collected 3,000 petition signatures (Lyons 2004). In addition, many letters to the editor published in January 2000 in asked officials to rethink the justice center. People argued that the jail would hurt downtown development; others argued against a \$90 million justice center expenditure when schools faced a \$53 million shortfall. Later that same month, over 100 people attended a public forum featuring a debate between District Attorney General Randy Nichols and Sheriff Tim Hutchison. It was reported that the overwhelming majority opposed the project.

Several months later, County Mayor Schumpert announced that the county would look elsewhere for a justice center. So, "after six years of countless meetings and votes, the final cost has been tallied on the now-dead plan for a downtown jail. The bill is \$9.34 million. And what Knox County has to show for it is a cleared city block in downtown Knoxville with an uncertain future" (Silence 2000).

As with the Convention Center, this was a development project led by government. Locale and scale, but also meanings the public placed on the locale and scale, directly impacted community reactions. Buildings and spaces are interpreted through symbols and functions. When the justice center project plan included courts with lawyers and judges, this image dominated public perceptions

of the justice complex. As the proposed project evolved, the local benefits posed by the activity of many middle-class actors whose very presence would nurture a downtown regeneration, faded. Furthermore, the development being placed under the control of the sheriff's department as opposed to the PBA, furthered the notion that this was just a jail. Justice center boosters initially believed the development would spark the creation of local restaurants and other services to satisfy the needs of the middle-class users of the urban space. In this way, the early proposal fit other local proponents of downtown Knoxville's planned transition into a viable living, working, and entertainment district. When the justice center project shifted, its main purpose became interpreted as a jail, and boosters perceived the main clientele as convicts, murderers, and vagrants. Downtown boosters were in the process of revitalizing downtown to attract new businesses, visitors, and residents, and the symbolic function of a jail in the heart of downtown did not fit with their visions of the ideal downtown.

### **Turkey Creek<sup>29</sup>**

The public story of the Turkey Creek development began on February 19, 1995 when it was announced that 362 acres in West Knoxville had been sold to the Turkey Creek Land Partners (TCLP), a limited liability company, for \$7 million. The members included both local and outside businessmen and investors. Although Turkey Creek was private development project, the developers

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<sup>29</sup> The history of this development project is adapted from my Master's thesis (2007: 60-64, 71-72, 86-87).

requested the City of Knoxville, Knox County, and the Town of Farragut to provide funds for infrastructure improvements. By May 1995, the Knoxville City Council approved \$4.1 million to build Parkside Drive in West Knoxville to relieve traffic congestion and encourage economic development.

Councilman Ed Shouse fully supported the project saying, "This piece of property to me is a sleeping giant out there. If this road goes through there it will be developed significantly and add just tremendously to the city tax rolls. There's just no way it could not" (Keim 1995). Some council members questioned the use of such a large amount of public money to benefit private development despite the \$3 million contribution of developers for right-of-way and utility easements. TCLP also asked Farragut for \$410,000 and Knox County for \$990,000 to build the road.

Councilman Harmon argued against the city's approval of the \$4.1 million for the TCLP road saying that at least seven of the TCLP partners contributed to then Mayor Victor Ashe's re-election campaign. Harmon also argued against the idea that the road will alleviate traffic congestion saying, "His road to nowhere will be a road most people in our city will never drive. It will allow a small group of people to make more money, allowing them to subdivide land they recently bought it and sell it off at a high profit" (Dean 1995). Harmon clarified that although this might be good business sense, it should not be funded with taxpayers' dollars. A traffic study showed that the road could take 5,000 cars off Kingston Pike daily (Silence 1996). Less mentioned was the fact that the same study showed the development project itself would likely draw 38,000 additional cars a day (Neely and Mayshark 1997).

One of the largest controversies began in March 1996, when Knoxville City Council rejected (7–2) a resolution that would save 22 acres of wetlands in TCLP's development. Debate on the Turkey Creek Development centered on the wetlands throughout 1996 and little action was made until February of 1997 when the Knox County Commission approved (17–2) \$1.4 million for Parkside Drive. Farragut never joined in the partnership for the road. Farragut Mayor Eddy Ford did not even forward Schumpert's request for \$410,000 to the town's board because he believed the majority of the board would oppose it and because "we've not helped any other developer with doing a development in the town of Farragut" (Neely and Mayshark 1997:12).

By June, the developers were seeking rezoning for the area of land to be developed. The land was previously classified as a commercial (C)-6 zone, but developers asked for the area to be rezoned as C-3. Although both types of zoning allow similar uses, C-3 classification allows more freedom for developers. The Farragut Metropolitan Planning Commission approved an informal resolution to urge Knox County MPC not to rezone the development area. In June 1997, Knox County/Knoxville MPC voted (7-2) to deny TCLP's request for rezoning. One month later Knoxville City Council overruled (8-1) the MPC's rezoning rejection and approved TCLP's request for the development area to be reclassified as C-3.

The following years were rife with small skirmishes as residents questioned or showed outright hostility to development plans, but despite any opposition, the development project never stalled. Some conflicts arose from residents of



subdivisions bordering the development, and from others opposed to the clear-cutting of trees and continued wetland destruction. Although the project may not have moved forward smoothly, it nonetheless moved forward quickly. Parkside Drive opened in late 2000 and by early 2001 several stores had opened, including Goody's and a Wal-Mart Supercenter.

Tactics used to promote the Turkey Creek development project differed little from the Convention Center and the Justice Center. As with the previous projects, value-free development was used to center attention on the economic benefits for the community as opposed to the economic benefits for the developers. The Turkey Creek development was funded almost entirely with private funds, but because public funds were needed for the construction of Parkside Drive project boosters emphasized the need for the road to relieve traffic congestion in addition to the economic benefits.

Although the construction of Parkside Drive was boosted as a solution to traffic congestion, the majority of value-free development propaganda was used by Turkey Creek development boosters to overshadow the large exchange value expected for developers by emphasizing the economic and social benefits for the entire community. More jobs, an increased tax base, and further development were promoted in each of the preceding development projects as potential benefits for the community.

Government was not directly involved with this development project, but the city and county had to approve funds for the redevelopment of infrastructure. Local

and scale really come into play here as although the project itself was massive, the location was far out of sight, out of mind, for most Knoxville residents. Despite the efforts of some environmentalists, there was not a large response from the community, despite the fact that by the end, taxpayers spent \$50 million for infrastructure development by widening I-40 and I-75, plus the expansion of Lovell Road (Harris 2006). Media was very important in this whole processes, in part by not covering a lot of the processes and when they did, especially the *Knoxville News Sentinel*, the coverage was filled with civic pride and value-free development.

### **University Commons**

University Commons opened in fall of 2014 on a brownfield near the University of Tennessee. Brownfields are lands that are former commercial or industrial lands that have the potential to have hazardous chemicals or other pollutants on the land. This site was the former home of Fulton Bellows & Components, a metalworking and foundry operation that operated at that space from 1917 to 2005. In 2007, all the buildings were demolished. In April 2012. Bud Collom and Jim Harrison asked the County Commission to consider a \$10 million TIF package to help finance University Commons, a retail center anchored by a Publix and a Walmart (Witt 2012). It was approved by the City Council and County Commission. The developers also applied for \$15 million in federal tax credit.

Part of the argument for the needed TIF and other public funds was the challenges that come with building on a brownfield. After the demolition of the

buildings, contaminated soil was found underneath the large concrete slab. The building had to be built on top of the concrete slab so not to disturb the soil (Witt 2012). In October of 2012, the developers asked for another \$1.5 million from the City of Knoxville for infrastructure to help finalize the deal. Despite some resistance from councilmembers, the funding was approved. Councilman Marshall Stair argued that “They’ve gotten a lot of community support and they’ve come back for more and at some point you have to say no” (Stair quoted in Witt 2012). Construction began in early 2013 and the project moved fairly quickly from there.

According to the developers, the economic impact of the development project is the creation of over 1,500 jobs, an estimated community payroll impact from jobs of \$51 million, with an estimated total impact of \$226 million (University Commons 2015). Because the development project is recent, it is difficult to determine the exact impact of the development. Furthermore, Cumberland Avenue, the main road connecting the University of Tennessee and the rest of Knoxville is undergoing major construction which will be examined in the next chapter.

Community reactions to University Commons have been varied. It appeared that a lot of the skepticism has centered around the large TIF and other public funds that have gone into the development. One journalist questioned the use of this large sum of money to fund what she calls basically a large strip mall. She goes on to question the stability and future of the development.

But as some people have pointed out, big box developments do not last forever. Walmart and Publix have signed 20-year leases, but what happens in 2034, when those 20 years are up? The big box model up until this point in our history has been that it is more profitable for stores to build new stores instead of renovating the old, out-of-date ones. The giant corporations running the store don't care about the holes they leave in the shopping centers, and the developers don't care because they're busy building new shopping centers. It's the cities that are stuck with the empty boxes laying fallow on their property tax rolls—almost 13 percent of the available space in Knoxville and Knox County strip malls is currently vacant (Gervin 2012).

Some conversations I have had with community members also questioned the need to fund developments that include big box companies like Walmart. Locale and scale come into play here as developments this close to downtown and the university are heavily scrutinized. Downtown development and Cumberland Avenue will be analyzed in the next chapter. One journalist I spoke to lamented the destruction of the old factory to build a development project designed to look like an old factory (2012).

Media reactions to the project were somewhat mixed. The *Knoxville News-Sentinel* published an editorial in 2012 supporting the city's financing but only if the city was well protected. "Without the project, the city and county would continue getting no property or sales tax revenues from the site. Returning idle land to productive use and the potential economic activity is a strong inducement for the

city to move forward with the \$1.5 million cash subsidy, but officials must hold Harrison and Cullom accountable” (Knoxville News Sentinel 2012).

This project moved very quickly, from the time it was announced to the public to the time it opened was less than three years. This is also one of the largest TIF packages given by the City of Knoxville. Government was very involved in approving the brownfield site redevelopment and approving the terms of the TIF. Locale and scale played into community reactions to the development project. The site of the development was a brownfield and many community members were happy to see it be revitalized. Other members of the community were concerned about the anchor, Walmart. Although the location of the redevelopment was near The Strip, it is very close to downtown and other areas where local, indigenous development has dominated revitalization plans. Having a Walmart just two miles from Market Square did concern some community members. Again, local scale and cultural interpretations of development impacted community reactions to the development project.

### **Conclusions**

In this chapter, I have looked at four different megaprojects. Two of the projects, the Convention Center and the Justice Center, were government development projects. The other two projects, Turkey Creek and University Commons, were privately funded with help from the government in terms of TIFs and other public funds. Scale and locale were important in each development project. The selection of the Convention Center site, the building of a jail

downtown, the relative distance of Turkey Creek from the center city, and the redevelopment of a brownfield for University Commons were all influenced by scale and locale of each project. Finally, the growth machine tactics and strategies for all the projects were similar—focusing on value-free development and civic pride.

In the next chapter, I will examine four corridor or neighborhood projects that are being pursued by the City of Knoxville. With each of these four projects, I will continue to examine the role of government in development, the locale and scale of the project, and the tactics and strategies of pro-growth coalitions. Finally, I will continue the examination of these projects in comparison to the other four I will describe in the next chapter.

## **CHAPTER SEVEN**

### **CORRIDOR REDEVELOPMENT**

As cities are pushed to take an entrepreneurial stance in development programs, they will often adopt a variety of strategies to encourage economic growth. In the last chapter, I examined four development projects, highlighting the level of involvement of government in the project, the scale and locale of the project, and the tactics and strategies used by growth machine actors to boost their projects. In this chapter, I examine four neighborhood or corridor development plans. In regards to the first component, level of involvement of government in the development plans, these projects differ from those in the previous chapter in that government is one of if not the primary actor pushing the redevelopment of large parts of neighborhoods or corridors. The four corridors used in this study are the Gay Street Commercial Historic District and Market Square; Cumberland Avenue Strip; Happy Holler, and the South Knoxville Waterfront (See Figure 7.1). Each of these represent a different mix of developments and businesses and are (or were) targeted for redevelopment.

Market Square and Gay Street witnessed an influx of new businesses and redevelopment in the last two decades. Several construction and redevelopment projects are still underway, but one can see significant changes in the downtown area. New and old businesses moved into recently redeveloped buildings such as Buzz Naber's Dental Studio, Harrogate's Lounge at Suttree's, Babalu Tapas and



Figure 7-1: Corridors



Tacos, The Mirage, CRJA-IBI Landscape Architects, and Leibowitz Law Firm, among others.

Happy Holler is a shopping district a little over a mile north of the center of downtown Knoxville. It was added to the National Register of Historic Places in 2014 as a great example of a small-scale, community-oriented shopping district developed around an early 20th century trolley-stop. Currently, Happy Holler is home to newly opened businesses such as Maker Donuts; Schulz Brau, a brewery housed in a newly built castle; and Folly Boutique.

The Cumberland Avenue Corridor is a section of Kingston Pike, the main thoroughfare of Knoxville. "The Strip," as it commonly known, is located between the University of Tennessee and Fort Sanders Historic District. It also connects downtown, the University of Tennessee, and west Knoxville. Currently, the majority of Cumberland Avenue is under construction. There are established local businesses such as Sunspot Restaurant and Copper Cellar, as well as chains such as McDonald's and Wendy's. Construction is scheduled for completion in August 2017.

The South Knoxville Waterfront is located south of downtown, a short drive or walk across the Gay Street Bridge or the Henley Street Bridge. Redevelopment is just beginning in this area. The abandoned Baptist Hospital is mostly demolished, save the part that will be office space for Regal Entertainment Group. Construction on Suttree's Landing, an eight-acre park on the waterfront, is almost complete. New businesses such as Trailhead Beer Market, Three Bears Coffee,

and South Knox Healing Works have recently opened, while longstanding businesses such as Free U Bail Bonds and the Flat Iron III have closed.

In this chapter, I examine each of these development projects in terms of governmental incentives, locale and scale, and tactics of the growth machine actors to sell their project to the community. Revitalizing whole corridors requires public-private partnerships between the city and private developers. Although the goals of both actors are often the same, redeveloping existing building stock that is often steeped in history, while updating old structures up to modern codes, can be a complex and contentious processes. Furthermore, these corridors are valuable to the community and different actors in the community view the redevelopment in different ways. Fears of gentrification, the destruction of history, or the influx of national chains make many community members wary of development. At the same time, many community members welcome the redevelopment of dilapidated buildings and abandoned lots.

### **From Renaissance to Market<sup>30</sup>**

Knoxville's downtown development cannot be understood without an examination of Market Square, a pedestrian-only block with over 150 years of history, and the Gay Street Corridor, the main thoroughfare in downtown. Market Square is located in the heart of downtown and has housed restaurants, bars, boutiques, apartments, farmer's markets, outdoor plays, a police station, and a

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<sup>30</sup> The history of the Worsham-Watkins development is adapted from my Master's thesis (2007: 50-57, 70-71, 85-86).

steam-engine fire hall (Shorr 2003). From a busy mall to a dilapidated inner city block to a rejuvenated urban renewal project, Market Square has seen many changes. Currently, Market Square is booming with business and activities, but ten years ago it was a much different story. Similarly, Gay Street was once the primary shopping district of Knoxville, but the once bustling avenue lay abandoned as shops, restaurants, and businesses moved to suburban areas.

The redevelopment of downtown Knoxville has concerned government and developers for decades. When the 1982 World's Fair failed to spark redevelopment, the City of Knoxville began looking at large-scale revitalization plans. One of the primary developers involved in these grand plans was Earl Worsham, Jr. Worsham worked as the developer on projects throughout the country, in Europe, and in Russia. In the mid-1990s, Worsham began his campaign to redevelop downtown Knoxville. His first plan, unveiled in 1996, was an entertainment park in the World's Fair site called "Tivoli Gardens." After this project was rejected, Worsham and his partner Ron Watkins, who together formed Worsham-Watkins International (WWI), began work on a second development project aimed at transforming downtown. In 1999, the Public Building Authority (PBA) hired WWI to consult on a master plan for private development in downtown that would complement the convention center facility. The plan aimed to connect the World's Fair Park to the Old City and to the Tennessee River waterfront; provide alternative methods for transportation and increase the opportunity and ease of pedestrian traffic; and connect and increase retail, residential, and

business opportunities.

Nine months later, WWI unveiled their development plan, identifying four corridors to be redeveloped using \$250 million in private investment and \$130 million in city funding. The priority corridor linked World's Fair Park to the west side of Gay Street, with the initial purpose of increasing development between Market Square and the World's Fair Park. The proposed project included 300 new residential units, 500,000-square-feet of new office space, a new hotel, 215,000-square-feet of retail space, as well as new dining, entertainment, and parking space.

An eclectic group of community residents and businessmen attended the unveiling of WWI's initial redevelopment plan. Although the first two rows and box seats were filled with "shades of navy blue," those in the rear and balcony consisted of students, community activists, architects, retirees, and restaurants owners. As former PBA head Mike Edwards led the group through PowerPoint slides showing the development plan, community members reacted in ways unexpected by the developers and businessmen. A few elements in the development plan such as a movies theater and possible Scripps media center drew applause, other elements were met with silence and "one, Edwards' almost buried statement that 'consideration should be given to an unobtrusive glass enclosure' over Market Square, generated scattered boos and hisses" (Mayshark 2000).

The PBA approved WWI's development plan under the condition that any

proposal that included the enclosure of Market Square would have to be thoroughly justified. According to the agreement in the original consultant deal, they had first shot at designing a specific proposal for the estimated \$250 million development project that had to be submitted in ninety days. In June of 2000, Worsham-Watkins unveiled their \$600 million proposal. Utilizing the principles laid out in the plan they previously developed, they extended the transformation project to include a total of 3.308 million square-feet, including a \$49 million hotel to be owned by Marriott International, and a downtown Cineplex. The new proposal included \$310 million in private investment and \$290 million in public funds, which included the \$160 million for the new convention center in World's Fair Park and \$83 million for four major parking facilities.

One aspect of the proposal that was not mentioned at the grand unveiling was WWI plans for the city to acquire all the buildings on Market Square (by eminent domain if necessary), and then lease the majority back to WWI. Market Square property owners and residents learned about that part of the proposal only after talk began circulating that it was posted on the PBA's website; one owner found out after a reporter's phone call. A consultant for WWI argued that the acquisitions were necessary to keep redevelopment cohesive and install some kind of artistic and commercial control. Market Square owners were reassured that successful businesses would be allowed to stay open.

In February 2001, after seven months of discussions and studies, PBA administration/chief executive officer Dale Smith recommended a scaled-down

version of WWI's original plan. The project was renamed Renaissance Knoxville. The \$270 million plan focused on redeveloping Market Square as a "festival marketplace," but also included a movie theater, new office building, and 5,000-seat amphitheater (Vines 2001). PBA expected to move quickly into Market Square, utilizing eminent domain where necessary. Also proposed was a 14-month time period that banned business owners from their buildings as the structures in Market Square were brought up to code.

The next seven months was filled yet again with discussions, opinions, and studies. Market Square development remained central to the debate as residents and homeowners pitched their own development plan, and WWI developers and subcontractors tried to convince the public and the government that Renaissance Knoxville would work. On September 15, 2001, it was announced that Worsham-Watkins International would not only cease all attempts to manage the redevelopment of Market Square, but that it was withdrawing the overall downtown development proposal from the PBA. The price tag for the proposal process was almost \$1.4 million for taxpayers.

And so concludes the story of Renaissance Knoxville, but not the story of Market Square. The area, still full of dilapidated buildings and empty storefronts, remained a concern for both owners of the properties and the city. Knoxville Community Development Corporation asked developers and Market Square property owners to submit plans for redevelopment. In 2002, KCDC tapped local developers Kinsey Probasco to lead the redevelopment of Market Square. Phase

1 included an \$8 million make-over of the square. Although most property and business owners supported redevelopment, there were great divisions in what this redevelopment should look like. One of the most controversial issues centered on whom, if anyone, should oversee the leasing and redevelopment of the square. Many people argued that for the redevelopment of Market Square to be successful there needed to be a single entity that would regulate and lead the development. Others argued for an indigenous approach, allowing the square to evolve on its own. The developer, Kinsey Probasco, abjured a coordinating role and left the property owners on their own to find tenants for the buildings. Sullivan (2008), a longtime journalist in Knoxville described it as such:

For my own part... I subscribed to the views of other consultants and would-be master developers that for Market Square to flourish commercially it needed to be managed more nearly like a mall. Five years later, I am very pleased to acknowledge that I and other naysayers were wrong on all accounts. The indigenous approach, as it was known then, to letting Market Square spring to life on its own has begotten a diverse array of commercial activity that now permeates the square. The renovated public plaza has become the staging- and gathering-ground for an ever-growing list of special events that are pulling ever more people into the square with more frequency. And the hardy band of entrepreneurs who launched new ventures on their own are now collaborating on promotional activities through a Market Square District Association.

Like Market Square, Gay Street redevelopment also followed this indigenous approach. Market Square and Gay Street were eventually and

successfully developed with a vision of growth that came to privilege local control over external actors, small size over a gargantuan development, and diversity of consumption over ever-present chain stores and restaurants. Importantly, despite substantive infrastructural renovations, many of the pre-existing historical buildings remain in place, and provide much of the visual charm to the area.

This indigenous approach in the downtown area is heavily incentivized by TIF and PILOT programs. In the last 13 years, the city has approved 47 projects for a savings of more than \$82 million for developers. Many of these projects are located downtown (See Figure 7.2). Between 2005 and 2008 alone, the City of Knoxville approved two PILOTS and twenty TIFs in the downtown area. These developments include Mast General Store, Market Square storefronts, JFG Lofts, and the Hampton Inn (Boehnke and Witt 2016).

### **Happy Holler**

Happy Holler is located on the 1200 block of N. Central Avenue, about a mile north of downtown Knoxville. At the turn of the 20<sup>th</sup> century, it was a lively community shopping center for the families of textile, railroad, and iron workers in North Knoxville. Added to the National Register of Historic Places in 2014, most of the buildings are one story commercial structures that were built between 1900 and 1930 (National Register of Historic Places 2014).

The name itself is both a nod to the topography of the area, specifically the low-lying hollow between two hills, and its popularity as a drinking spot for the working class at the turn of the 20<sup>th</sup> century. During prohibition, Happy Holler was



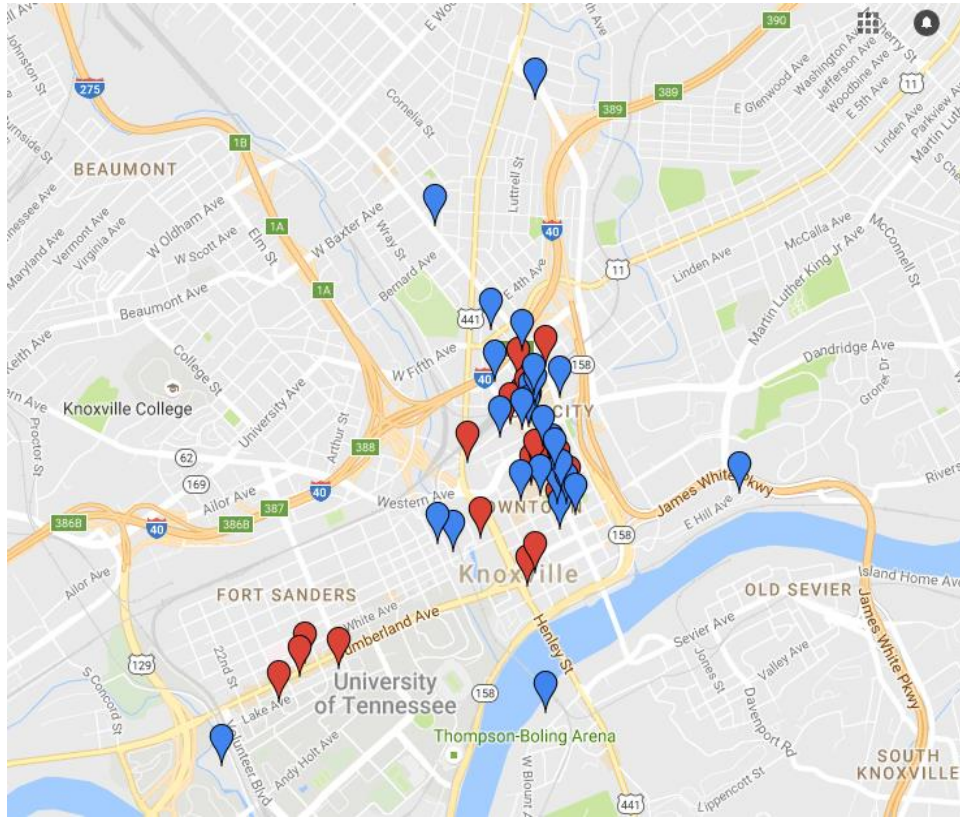


Figure 7-2: City of Knoxville TIFs (Blue) and PILOTs (Red)

Source: Boehnke and Witt 2016

said to have been a favorite spot for bootleggers. Miller (1995) writes:

Former slaves and rural farmers flocked to the city by thousands, seeking jobs and a brighter future in the upper South's leading commercial center. When the often unpleasant reality of living in a rapidly industrializing city became too much for these workers, they "went to the 'Holler' first to get happy..."

In the Victorian era, the Hollow was the center of the Knoxville's hard-drinking culture. Bars outnumbered the city's churches almost 2 to 1, and the *Knoxville Tribune* estimated in 1879 that the city's 25 saloons served over 5,000 drinks daily. The mill, iron, railroad, and factory workers who lived in Happy Hollow drank their share at the four taverns and saloons located on each of the four corners of its busiest intersection, Central and Anderson streets (Miller 1995).

Despite the rough and tumble reputation of the Holler, it was also the home to dry-goods stores, barbershops, grocery stores, a dry cleaner, and was home to the first suburban movie theater, The Picto, which opened in 1916. The area remained a bustling hub for North Knoxville residents until Brookside Mills, the community's largest employer, closed in 1956 (Miller 1995). Other mills and factories closed, further damaging the local area. In 1958, the construction of Interstate 75 (later rerouted and renamed I 275) wiped out businesses and over 400 houses in North Knoxville (Miller 1995).

Few businesses remained during the latter part of the 20<sup>th</sup> century, but the turn of the 21<sup>st</sup> century brought with it new business to the Happy Holler area. The Time Warp Tea Room, opened in 2002, is an eclectic tearoom/coffee house that

boasts vintage pinball and video games. The Glowing Body, a popular yoga studio, opened in 2008. Magpies Bakery relocated from the Old City to Downtown North in 2009. The owner, Peggy Hambright, said, "If (Happy Holler) is just more retail friendly, the Old City is so nightlife driven. . . We're very energized here. We pretty much doubled our business the first year we moved here... Parking is more accessible. Parking was our biggest issue there (in the Old City)" (quoted in Blackerby 2012). Three Rivers Market, a grocery cooperative, moved into Happy Holler in 2011. Many of the business have moved into abandoned or once-dilapidated buildings.

In 2010, the City of Knoxville received a \$400,000 grant from the Environmental Protection Agency to perform environmental assessments on several sites in the Downtown North area. Surveys for lead paint, asbestos, and underground storage tanks in the area, eases redevelopment of the seven selected brownfield site (City of Knoxville Office of Redevelopment 2014). The city is also planning a major streetscape project for Happy Holler, replacing stormwater and water lines and eventually repaving the road. The \$2.5 million project is expected to be split between federal and local government (80 percent and 20 percent respectively) (Sims 2015).

### **South Knoxville Riverwalk**

Although there were attempts at the development of the South Knox waterfront before 2005, for the purposes of this study only developments after 2005 will be examined. As the South Waterfront Vision Plan (2006) says:

Knoxville's South Waterfront has experienced significant moments of growth, but also decades of neglect. It has been a superlative base of operations for many of Knoxville's industries, a locus for a wealth of Tennessee history, and a home for some very unique and valuable environmental systems and conditions for the Knox County region. These dimensions of value have been noted by generations, and for almost as long as the South Waterfront has been around, there have been efforts by the City of Knoxville and its citizens to better understand, use, and plan for its growth.

2005 marks the time when the city and developers began aggressively targeting the waterfront for redevelopment. At this time, Baptist Hospital was the major employer on the south waterfront and Holston Gas distribution facility, east of the Gay Street Bridge, had been in that location for over forty years. Housing in the area was primarily a mix of middle to low income single family homes (Fregonese Calthorpe Associates 2005).

In 2005, the Knoxville City Council approved a \$31,640 feasibility study to be completed by Fregonese Calthorpe Associates, with the city covering \$24,140 and the remaining \$7,500 to be covered by the East Tennessee Foundation (Hickman 2005). In April of 2005, the city released the findings of the study that recommended launching a master planning effort towards the area. The study estimated that a modest redevelopment of a three-mile stretch of the South waterfront would cost around \$8.9 million, but could easily be recouped if the city used tax increment financing for the improvements (Barker 2005).

In early 2006, 445 Blount Ave. was sold for \$2.795 million to Camden

Management Partners, Inc., an Atlanta based development agency, to break ground on the apartment complex CityView at Riverwalk. Concurrently, River Towne Condominiums, a \$9.4 million development by University Real Estate and Property Management, was under construction on the south bank along Scottish Pike. It would be the first downtown waterfront community with 50 units (Harris 2006). In 2008, Camden Management Partners also secured under contract another 12 acres of South Waterfront property at 1720 Island Home Avenue for \$1.2 million, adjacent to the historic Island Home neighborhood (Flory 2008). CityView condominiums were built before the housing crash, but soon after went bankrupt. Jim Clayton and Raja Jubran purchased the complex at a fire sale price, but as of 2015 had only sold 25 units, while renting another 60 (Sullivan 2015).

In 2008, Mercy Health announced the closing of Baptist Hospital and plans to build a new \$400 million hospital on the Baptist site (Harrington 2009). The housing crash and recession coupled with uncertainty of the proposed federal healthcare reform, pushed Mercy Health to indefinitely shelve the project. Redevelopment plans were tossed around but the site sat empty for years. In 2013, the 23-acre Baptist site was acquired by Southeastern Development Associates (SEDA), formerly Blanchard and Calhoun Commercial, Inc. Development plans by SEDA for the space include a mix of apartments, retail, and office space.

In 2015, Tennessee Governor Bill Haslam officially announced that Regal Entertainment Group from was moving from Halls to an office building on the former Baptist site, a deal that is heavily financed by taxpayers' dollars. Under the

agreement, the City of Knoxville Industrial Development Board paid \$6 million to SEDA for the office building and parking garage on the former Baptist site. Another \$6.5 million will be contributed for renovations for the building—\$3 million from the city, \$1.5 million from Knox County, \$1.5 million from the state of Tennessee, and \$500,000 from SEDA. Regal is expected to contribute \$4 million for the renovation (Nolan 2015). For the first ten years, Regal will pay no rent but will make payments equal to the amount of taxes they would pay if they owned the building. Regal also has the option after the first ten-year lease to extend the lease for at least two more decades, paying \$1-2 per square foot (Duda 2015b).

The former Baptist hospital site is the largest redevelopment site on the South Knoxville waterfront, but it is not the only area of revitalization. Further east down Sevier Avenue, Brett Honeycutt received a \$50,000 commercial façade grant to continue to make improvements on his building that now holds a coffee roaster, brewery, and forthcoming women’s athletic clothing store (evreeland 2015). In 2015, the city of Knoxville also broke ground on a \$3.4 million, 8.25-acre park, Suttree’s Landing. The park is set to open soon.

### **Cumberland Avenue Corridor**

The Cumberland Avenue Corridor Project is an attempt to address the congestion and blight of Cumberland Avenue (historically Kingston Pike). Cumberland Avenue is a primary corridor connecting The University of Tennessee, Fort Sanders Regional Medical Center, Historic Fort Sanders Neighborhood, East Tennessee Children’s Hospital, and downtown Knoxville. The importance of

Cumberland Avenue dates back before the Civil War as it was used as the main corridor from downtown Knoxville to what was then west Knoxville. As Knoxville grew, so did the importance of Cumberland Avenue as a major thoroughfare. East Tennessee College bought 40 acres west of downtown for its campus, in what now is called “The Hill.” Although the campus was ravaged during the Civil War, The Morrill Act of 1862 designated the university as a “land-grant” university, although the designation would not be official until 1869, the same year East Tennessee College became the University of Tennessee (The University of Tennessee 2016).

The role of Cumberland Avenue as the primary thoroughfare began to change in the 1950s with the expansion of I-40 and I-75 and was further altered after the 1960s with the construction of Alcoa Highway and Neyland Drive. Cumberland Avenue became a place to go to as opposed to a place to go through (Glating Jackson Kercher Aglin 2007). Cumberland Avenue has a long history as the entertainment location for university students, faculty, and staff. Late nights tend to belong to the undergraduates, but one can often find graduate students and faculty at local restaurants during happy hour.

The initial study for the redevelopment of the corridor was published in 2007. For several years, the city conducted additional studies and public hearings. Part of the main redevelopment of Cumberland Avenue is to redesign the lane configuration from a four-lane road to three-lane cross section to ease traffic flows. The \$17 million project also includes streetscape and infrastructure renovation. Another major component of the plan is to change zoning and building codes in

the corridor to form-based codes in an attempt to change the landscape of Cumberland Avenue into an actual avenue, as opposed to a suburban strip. The form-based code regulates the height, architecture, use, and set-backs, among other things of new buildings. The plan is to create a thriving main street in the town-meets-gown neighborhood (Dodds 2015).

The construction was split into two phases. Phase I began in June 2015 and was completed in December 2015. Phase II began in December 2015 and is expected to be completed in August 2017. In addition to paying for the infrastructure redevelopment, the City of Knoxville also approved a PILOT for Evolve, a luxury students' housing complex on Cumberland Avenue. The PILOT began in 2014 and is contracted for five years. The PILOT allows for Evolve to make annual payments of \$49,399 instead of property taxes. This will be \$787,373 in tax savings to the company with a projected annual increase to the tax roll of \$157,475 (Boehnke and Witt 2016).

As this project is currently underway, the economic impact of the area is unclear. The City's hope in improving Cumberland Avenue and the use of PILOTs and TIFs is to increase private investment. Since the adoption of the plan, there is a running tally of more than \$130 million in private investment in the Cumberland Corridor (Boehnke 2015). Despite the hope of the development project to increase private investment, there have been consequences for businesses currently on The Strip. Sunspot, a local restaurant, cut server positions and scaled back kitchen schedules to offset the drop in business when the construction started (Duda



2015a). Jason's Deli's walk-in sales dropped 25 percent and they cut four positions in the store, although they did have to hire another delivery driver (Duda 2015a). Despite this, many of the business leaders and community members still support the plan, although ideas of what this growth looks like may be different. The indigenous growth of Market Square and Happy Holler are often times supported by the community. The Strip has often been littered with chain restaurants, but has also had a large number of local spots. With developers buying up large blocks of land on Cumberland Avenue, they will have control of what kind of development comes into the area.

### **Public-Private Partnerships: Locale, Scale, and Community Reactions**

Each of these corridors is in a different stage of development and with each we can see different reactions to the projects. Downtown is usually considered a success in terms of development. Many local leaders credit the City of Knoxville for supporting and helping developers as they work to redevelop areas such as Market Square. When asked what he believed to be one of the best things that have happened in Knoxville in the last ten years, one journalist responded:

I think that probably the renovation of Market Square was probably the number one thing in my opinion. And the combination of the city investment and just the consequent excitement and energy about the place and it wasn't any one thing, it was just kind of changing the way people thought about it. It's possible that what's happening there could have happened even without the major investment, to some extent. I think that certainly helped, the facades and their redoing the

whole square and the infrastructure and some of that was stuff that was overdue and had to be done anyway, but just the, broadly speaking, the redevelopment of Market Square which is public and private and the intentional and accidental and the all those things. Just because, I think any city needs a core, any city needs a place where you can go and see people who live in your city (2012).

Another journalist agreed:

The obvious one is downtown, it's been revitalized. A lot of the old building stock in terms of factories and industrial type places have been renovated into residential uses and as more people have moved downtown, then you are starting to see even more retail come back, there are more entertainment offerings, movie theater, Tennessee Theater, the Bijou, all benefit from that stock of residents downtown. A lot more restaurants, bars, and that sort of thing... (2012).

Despite government's claims to support business, there is a disconnect between how government officials see their relationship with developers and business. When asked how she sees the relationship between government and developers, one high ranking official in the City of Knoxville said:

It depends... on the kind of development and the developers. Some developers don't have any problems working with the city and you know with the regulations and such. Others do have a problem. We saw with the ridge top, with the hillside ridge top plan that was put in place, there were some developers who were very opposed to that plan and they fought you know quite strongly against it...but then there are other folks who are working quite well with us. Look at all

that downtown revitalization, we are working hand and hand in partnerships with the developers through TIFs and PILOTs and stuff and that things happen (2012).

Developers seem to have a different attitude. When asked the same question, one developer responded:

I think there is the appearance that they are very supportive of projects, (but) on a real basis what does that mean? Well, that means that they might support you getting a TIF or a PILOT, a thing to do with taxes, or supporting that you're trying to get tax credits or whatever, but from a code standpoint it's terrible, it's terrible and so you would be hard pressed, you will not find any developer in the downtown market that doesn't have legitimate complaints about code enforcements and what they have to do from different levels. From the fire marshal's office to the codes enforcement office for building permits. And then it goes down to like storm water and city engineering and layers and layers of. . . the city covering its own liability through these processes that are, where there's no case law that shows that they've ever really had liability (2012).

Another developer was a little more positive, but had similar complaints about the codes and regulations.

Well, that's an interesting question. I think that on a sort of strategic level, yes. Certainly our city government in particular over the last several years has been certainly very receptive, very helpful with a few programs like Tax Increment Financing and you know I think they are very supportive. Certainly they don't have to do things like the

TIF program, so overall I would say yes and I think at the very top of the administration they certainly want to see the city's downtown corridor do well and be revitalized and I think in the past and currently that attitude is still very much there and there's still a lot of progressive help. On the flip side, there is only so much they can do. I mean, the TIF tool is fine and nice, but it's a pretty limited tool. People think, I don't know what people really think about it, but it seems to get reported that its this huge developer giveaway program and it's kind of, hey it's certainly nice, and I'm not knocking it, but it's a lot of kind of effort to climb through for what ends up being, relative to your whole project size, not an incredible incentive, but don't get me wrong, it's certainly better than nothing and it is a valuable tool (2012).

Knoxville's development code has traditionally followed the suburban model in which residences, workplaces, and leisure are all separated. This kind of planning does not work in areas that are being redeveloped. Most of the building stock downtown was designed for mixed-use. Shops and restaurants were placed on the first floor while the higher levels were built for residency. Codes for development changed when suburbanization became the normal development pattern, and developers who want to restore or redevelop downtown buildings have voiced complaints about the codes and zoning laws that hinder their progress. Developers argue that redevelopment would not occur with the change in zoning, as well as with the financial support from the government.

When asked about the relationship between government and developers, one journalist said:

I think it has improved and is improving still. It's been 10 or 15 years ago, but it was often an adversarial sort of thing which was frustrating for both, but especially for the developers who were trying to do things that were different and they were having to deal with zoning issues and codes issues that were made for a simpler template than what they were proposing. There are lots of instances where you can say this proposal is perfectly safe, it's something that is handicapped accessible and there is no issue or reason why you can't have mixed use here or whatever but there was some city code or law against it. These things were strictly enforced, and I should say until the Rogero administration but to me, I suspect that's going to be one the biggest changes because I think that kind of plotting ... the sort of insistent by the books sort of mentality prevailed even during downtown friendly administrations as with Haslam but I think we are seeing the last of that. But I think it took the city a long time to understand New Urbanism and what was going on, I got the impression that the city didn't keep up with people like Jane Jacobs, even thirty years after her book that people were just perplexed by these different kinds of proposals for downtown (2012).

Developers often argue that creating spaces such as a revitalized downtown require a public-private partnership. Having a private development with these government regulations often leads to disagreements on who should pay for what. As one developer highlighted:

Anything outside the walls of Market Square, for instance, is public realm. So the awnings have to be there by design review and codes enforcement and easement with the city of Knoxville. So it's not helpful because of the layers of bureaucracy and it's hard to pinpoint who a true decision maker is. Is it the guy that's you know coming to inspect your property from plumbing, electrical, HVAC, mechanical, storm water, you name it, fire marshal? So five of probably layers of inspection that anybody has to go through and some are accountable to different organizations...But on a local level, although they say they're supportive they're are very few public dollars literally going into any projects or the other problem is when I (did one of my buildings), for instance the city makes me, whether I touch it or not, repair and redo the sidewalks in front of my building. Well, wait a minute, isn't that the public space? Yeah, who does that belong to? Who's responsible through my tax dollars to provide that space? Well, that's the city. But, because they can arbitrarily attach it to a project. And that's happened all up and down, now fortunately the 100 block they did a large scale project, right? So those guys got away with not having to do it, but otherwise the rest of us in other areas that are not in a specific city redevelopment project then you're enforced and in my case it added like \$45,000 to the project (2012).

The redevelopment of downtown is a common theme in any discussion about development in Knoxville. Corridors like Happy Holler are not discussed as often. Scale and locale come into play here. Market Square and the Gay Street Corridor are the historical heart of Knoxville. The area is dense with historical buildings and the community has cultural attachment to the place. Happy Holler is further away from downtown and is a much smaller area. The buildings are mostly

one-story buildings. The scale of this redevelopment is much smaller than that of downtown Knoxville. The indigenous approach has worked well for both redevelopment projects. The success of the indigenous approach highlights the effort for local control over the growth machine, which was facilitated by increased involvement and importance of city government in that coalition.

The Cumberland Avenue project is currently a construction nightmare for workers, residents, students, and those community members who venture to The Strip. Some long-time community members welcome the change. Stanton Webster, president of the Historic Fort Sanders Neighborhood Association, says “For a lot of people this is one of the first places they see when they come to town, and it’s been in need for some upkeep for years now. It’s going to be tough to get there, but man if we can pull together as a community and make an extra trip for lunch or dinner to some of these businesses—even go out of our way perhaps—it will be so worth it once the project gets completed” (Duda 2015a).

Cumberland Avenue is an important cultural place for students and faculty of the University of Tennessee. One faculty member I spoke to talked about how the Cumberland Avenue development was a step in the right direction.

What they’re trying to do is limit traffic in that area. They’re trying to make it a little bit greener and route some of the traffic around there. It’s a safety hazard as it is now (2012).

Of course the same faculty member, disparaged the Walmart in the University Commons development arguing that the location was ridiculous since

they are redesigning Cumberland to relieve traffic congestion but then build a Walmart and Publix which is going to increase congestion. It is too early to see what kind of development will occur on Cumberland Avenue, but large sections of Cumberland are being bought up by corporations. In Fall of 2015, an out-of-state buyer quietly bought up the better part of an entire city block on Cumberland Avenue. The six parcels cost \$6.35 million combined (Boehnke 2015). A Missouri-based owner of a block of property on the south side of the strip has submitted plans for a student living community. Another owner of seven parcels bordered by Cumberland and Lake is considering redeveloping the block (Boehnke 2015).

This is exactly the fear of one south Knox community member and longtime business owner who I interviewed about the redevelopment of Sevier Avenue. Especially since one developer bought several parcels of land, covering almost an entire block.

I'm personally sad that that whole section of the street has been bought out. He [the developer] came and talked at the last [community] meeting and on one hand I like it because I thought when they bought that whole stretch of land and they were going to just mow it down and put who knows what up, but apparently not yet, if at all. They are just sort of renovating what's there, and those are ugly buildings so I really thought they would tear him down or do something but no. So then there's this whole other segment that's frustrated because they're not doing something way better (2016).

Again, here you can see the importance of local control of the growth machine to community members. Fears of an outside actor determining use of land



and control of valued cultural spaces, can create tensions between community members and growth machine actors.

In South Knox, there is also tension around the redevelopment in terms of economic diversity and gentrification. The Flat Iron III and Free U Bail Bonds have already had to move out because of rising rent costs. The Old Sevier community is home to many working class families, but also several different halfway houses such as Steps House. At one community meeting I attended, several of the residents expressed concern over the halfway houses and the safety of the neighborhood. At another meeting (2016), a community member told me that several other members were discussing the forthcoming redevelopment and how they hope it will help get rid of some of the lower income residents. This is a common tension during gentrification and redevelopment and it will take time to see how it plays out in this area.

### **Conclusions**

The four corridor plans outlined in this chapter each tell a different story about redevelopment of corridors or neighborhoods in Knoxville. The redevelopment of Market Square and the Gay Street Historic Commercial District is the revitalization project that often dominates public discussion and media attention, but it also receives the most incentive packages, at least in total. Many of the buildings in downtown have been approved for TIFs and PILOTs. The locale and scale of the development impacts the reactions of the surrounding community. On one hand, when Worsham-Watkins wanted to acquire all the buildings by

eminent domain if necessary and when they wanted to put a glass ceiling on Market Square, residents, workers, and other community actors reacted very strongly against these proposals. On the other hand, other than mild skepticism over the need for all the all the incentives to developers, community actors tend to approve of the indigenous approach to the development of downtown.

Redevelopment in Happy Holler and the surrounding community has benefited from the EPA grant and the city's façade improvement grants, but did not receive near the amount of incentive packages for the other areas. The small scale of the buildings and again, the indigenous approach to development in the area has kept criticism of community actors to a minimum. One of the oldest businesses in Happy Holler is the Time Warp Tea Room, a tea room for bikers, in some ways provided the foundation for a very eclectic mix of businesses to move into the area.

The Cumberland Avenue Corridor project is currently under construction and remains a headache for many community members and residents. Because it is a main corridor for Fort Sander Regional Health Center, The University of Tennessee, and Children's Hospital, heavy traffic often dominates this area. Because many community members were frustrated with the traffic before the redevelopment, there still remains an air of optimism.

Finally, the South Knoxville Waterfront is the project that is really only just beginning. Suttree's Landing Park is almost complete and there are new businesses that have opened, but the major redevelopment of the Baptist Hospital

has not yet started. Reactions are mixed by community members. The scale of this project is massive, but the hospital has sat abandoned for years. Many south Knoxville residents are skeptical of the development, but at the same time are hopeful that the character of the community will remain intact. These four cases show us that local and scale, as well as cultural feelings to a place, can impact how the community views a development project. In each of these cases, government is highly involved with the redevelopment, from street and infrastructure improvements to TIFs and PILOTs.

## CHAPTER EIGHT

### CONCLUSIONS

I began my research project on development in Knoxville focusing on two primary goals. First, I complement current urban literature by integrating growth machine theory into theories of globalization. More specifically, I examine how these processes play out in a smaller to mid-size city. Literature on urban processes tends to focus on large or megacities, overshadowing the importance of smaller and mid-sized cities. Second, my story is about a specific place with a unique history and geography. Knoxville, TN has a varied and checkered history. A quick glance at its various nicknames over the years highlights this—Scuffletown, Marble City, Queen City of the Appalachians, Underwear Capital of the World, Ugliest City in America, the Scruffy Little City, and the Cradle of Country Music, among others (McNutt 2002). By examining Knoxville, I examine how globalization provides both new opportunities and new need for government actors in smaller cities to pursue economic development programs. In this process, growth machine is refocused to take city government into greater account.

My first goal aims to integrate growth machine and globalization to understand ways in which cities adapt to changing structures. Very briefly we can define growth machines as a coalition of powerful actors in a city that promotes capital accumulation by land use intensification and local economic development. In the original growth machine theory, public officials were often the growth

machines most important allies. Growth machines emphasize exchange value over use value, but often focus on the use value—through value free development and invocation of civic pride—to sell their projects to the community.

Neoliberalism ostensibly removes the state from the market. It also slashes social welfare systems, and increases privatization and commodification. Despite the “removal” of the state from the market, neoliberal policies often have a deeply interventionist agenda around social issues such as crime, policing, and community regeneration. Neoliberal policies at the federal level also increase pressure for local governments to become entrepreneurs while still maintaining (or at least somewhat maintaining) the appearance of a free market.

Globalization, in very simple terms, refers to the integration and expansion of social, economic, and political global linkages. On one hand, globalization increases the opportunity for global or national capital to move into a city. On the other hand, globalization can increase pressure on a city to capitalize and commodify something unique about the city, whether it's historical or environmental or cultural, the city needs to bring in capital through business and tourism. In Knoxville we can see these process manifest in changing urban structures, changing economic structures, and changing public-private partnerships.

### **Changing Urban Structures**

Suburbanization and gentrification under neoliberalism have changed the landscape of cities in the last several decades. For neoliberal suburbanization and

gentrification, I look at Farragut first as a model for devolution, decentralization, and privatization. Peck (2011) argues that the growing outer suburbs that tend to be wealthy, white, and conservative, can be seen as the new frontier for neoliberal economics and politics. In Knoxville, I specifically look at how suburbanization represents the neoliberal ideologies of devolution, decentralization, and privatization. The Town of Farragut is the center of this story, as the incorporation of the town was the backlash to the centralized power of Knox County. The residents of Farragut favor devolution. They support regulation, but only regulation on their terms. Farragut also employs market-based solutions as opposed to government programs. Farragut buys its police force from the Knox County Sheriff's Office and residents of Knoxville can choose to subscribe to Rural Metro, a private company, for fire protection.

Neoliberal gentrification has also altered the urban landscape in Knoxville. I look at how Knoxville fits with Smith's (2002) general characteristics of neoliberal gentrification. First, neoliberal gentrification relies heavily on public-private partnerships as cities seek redevelopment programs as an answer to economic downturns. The City of Knoxville has adopted several programs and incentive plans since the 1970s. From funding grants for redevelopment, planning megaprojects, and developing tax incentive programs, the City of Knoxville takes an entrepreneurial stance in economic development. Next, Smith argues that there is the penetration of global capital into local development. From big-box suburban development projects like Turkey Creek, to failed megaprojects from Worsham-

Watkins International, to successful redevelopment of smaller buildings by outside capital, it is clear that global finance influences development in Knoxville. Many of the mega projects were designed or funded by large non-local developers. Many of the parcels bought up on Cumberland Avenue are from non-local corporations. University Commons is anchored by Walmart and Publix. Of course not all gentrification in Knoxville is spearheaded by global or non-local capital. Downtown and Happy Holler both subscribed to the more indigenous approach to development, financed by local actors (often with help from government).

Next, neoliberal gentrification is often accompanied by opposition to displacement of low and middle income residents. In Knoxville, we see this in the hostility of some residents to the homeless downtown and in the concern of longtime residents in south Knoxville to the influx of capital as part of the waterfront development project. In downtown, as housing prices skyrocketed and the city of Knoxville adopted a 10-year plan to end homelessness, there was also the ordinance that fined anyone \$50 who sat or lied down on a public sidewalk in downtown or just north of downtown. There are concerns about displacement in south Knoxville as more and capital moves in and rent prices skyrocket so early in the gentrification process.

Fourth, neoliberal gentrification will diffuse from the city center. This is not a smooth process, nor a geographically even one, but if we begin our analysis of neoliberal gentrification in the downtown area, we can see how it begins to spread across the river to the south, north to Happy Holler, east to Magnolia Avenue, and

west to Cumberland Avenue. Finally, neoliberal gentrification is defined by sectoral generalization in which the process encompasses so much more than just revitalized housing. Neoliberal gentrification is the complete restructuring of urban landscapes into centers of consumption. The change of building codes and zoning laws to allow for New Urbanist developments in which residents eat, sleep, and play is redefining development in Downtown North, Cumberland Avenue, and Downtown Knoxville.

Both suburbanization and gentrification in Knoxville began well before there was a national shift in ideology to neoliberalism, but changes in suburbanization and gentrification since the 1970s highlight some of the shifts to neoliberal thought. Revitalization through public-private partnerships in the city and the continued push for devolution, decentralization, and privatization in the suburbs epitomize development programs in Knoxville in the last several decades. These changes to neoliberal ideologies are not only represented in changes to urban structures, but also in changes in economic structures, both nationally and locally.

### **Changing Economic Structures**

Knoxville is also searching for alternatives to adapt to changing economic structures. The city of Knoxville has sought to capitalize on its unique history, environment, and heritage. With Innovation Valley, Knoxville partners up with Oak Ridge to target high-tech and other manufacturing industries. The city also highlights its music scene and is encouraging the development of new music venues to capitalize on its reputation as the Cradle of Country Music. Outdoor



Knoxville is the initiative where we can really see the city looking to capitalize on its environment. Much of outdoor Knoxville is built on abandoned and often undevelopable land such as old quarries. The city seeks to increase both exchange value and use value of the land.

As my interviews showed, Knoxville began moving from a non-risk economy based on government services to a market with a higher share of private investment in the 1970s and 1980s. In 1970, 19.7 percent of Knox County's total employment was in the public sector. The United States average was 18.4 percent in government. By 2006, employment in the public sector in Knox County dropped down to 12.8 percent locally and 13.7 percent nationally (Berry and Gilhula 2008). Furthermore, deindustrialization and the diminishing manufacturing base, pushed governments to explore other means of generating revenue. In 1970, manufacturing made up 22.4 percent of Knox County's total employment; in 2006 it represented only 7 percent (Berry and Gilhula 2008).

The City of Knoxville pursues a variety of different economic alternatives to produce a good business climate and maintain legitimacy through economic performance. One avenue the city has pursued is to partner with Oak Ridge to create Innovation Valley, a 25-mile technology corridor, as a way to attract high-tech firms and manufacturing companies. The partnership with Oak Ridge is possible because of the unique history this area shares. Other manufacturing is also being wooed with industries such as Green Mountain Coffee opening in the

last ten years. In 2014, manufacturing jobs in the Knoxville MSA made up 10.2 percent of the workforce.

As Chang and colleagues (1996) point out, many cities begin to move to Urban Heritage Tourism (UHT) as a response to changing economic structures. Knoxville's unique history and geology allow for several opportunities for the City of Knoxville to capitalize on these distinctive characteristics. One of the largest recent initiatives is Outdoors Knoxville. In this program, the City of Knoxville and other growth machine actors are trying to pull outdoor enthusiasts into the city to play and consume in the natural environment. This is often done in public-private partnerships with local and sometimes national groups. Navitat was built in Ijams, a nature center. River Sports rents out canoes and paddle boards for Mead's Quarry. And Bell Helmets gave \$100,000 grant to the Appalachian Mountain Bike Club to build a downhill gravity trail in the Baker Creek Preserve. National recognition of both the Urban Wilderness Loop, a 12.5-mile trail loop, located just minutes from downtown, as well as the \$100,000 grant awarded to the Appalachian Mountain Bike Club have seemingly proved how successful this program is. However, the newness of this initiative does not allow for much consideration of social, economic, or environmental consequences. I will come back to this in the last section.

The City of Knoxville also tries to capitalize on its unique heritage and history through music and festivals. In the last few years, several new music venues opened as promoters are trying to push for the consumption of music as a

cornerstone of the capitalization of culture. Knoxville has a long and rich history of music, one that is sometimes ignored both by locals and outsiders. Visit Knoxville, the official Convention and Visitors Bureau for Knoxville and Knox County, developed the Cradle of Country Music downtown walking tour. AC Entertainment produces festivals such as Big Ears in downtown Knoxville. WDVX has the almost daily Blue Plate Special. All of these are ways in which music is pursued as an integral part of Knoxville's heritage. Knoxville is also home to many festivals. Beginning every year in April, there is almost a festival every weekend in Knoxville and its surrounding areas.

Luring manufacturing, Outdoor Knoxville, promoting music and festivals—these are all ways the City of Knoxville attempts to create new economic opportunities. Similarly, the City of Knoxville also pursues specific development projects, either as a public project or a public-private partnership.

### **Public-Private Partnerships**

The City of Knoxville often takes an entrepreneurial stance in economic development projects. This can take the form of megaprojects, both publicly funded and through public-private partnerships. This entrepreneurial stance also manifests in corridor or neighborhood redevelopment programs. This study examines four megaprojects and four corridor studies to highlight the role of government in development as well as how scale and locale impact reactions to the projects. With the convention center and the justice center, government was the developer. With Turkey Creek and University Commons, government used

incentive programs such as TIFS and provided funds for infrastructure. In each of the corridor redevelopment projects, the city has partnered with other growth machine actors to pursue economic opportunities to expand the tax base and create new markets of consumption. Scale and locale impact these projects in terms of reactions to the projects and in terms of growth machine tactics. Growth machines tactics revolved around value free development and civic pride. Reactions of the community varied depending on the scale of the projects, where they were located but also on the cultural value placed on the land and or project.

For each project or development program in this study, I look at the relationship of government to the development program, the scale and locale of the project, and finally, both the tactics of growth machine actors and the reactions of the community to the development project. With the megaprojects, the Convention Center and the Justice Center were government development projects. The other two projects, Turkey Creek and University Commons are examples of public-private partnerships in which the government approved tax incentives programs such as TIFS and/or provided the funds for infrastructure. Locale and scale were important in the selection of the sites, the success or failure of the development program, and the reaction of community members to the projects.

The corridor or neighborhood development plans I examine are the Gay Street Historic District and Market Square, Cumberland Avenue Strip, Happy Holler, and the South Knoxville Waterfront. Each of these projects is in different

stages of development. The downtown area has been undergoing revitalization for at least a decade, although a stroll down Gay Street highlights the continued redevelopment of building stock and infrastructure. Happy Holler is a newer redevelopment project, but the scale and the locale of the neighborhood has allowed for revitalization to occur much quicker. The Cumberland Avenue strip is deep in the process reconstruction of the roads and infrastructure. The former four lane road is littered with construction cones on an uneven, mostly two-lane road. Large projects such as Evolve, the luxury student apartments, are complete, if not fully occupied, but large sections of land remain abandoned. Finally, the South Knox Waterfront redevelopment is only just beginning. A new eight-acre park is almost complete, a couple of buildings on Sevier Avenue are remodeled and several more are under construction. The partial demolition of Baptist Hospital is complete and redevelopment of that space is slated to start soon.

In all of these redevelopment projects, the city partners with other growth machine actors to pursue economic opportunities to expand the tax base and create new markets of consumption. The locale and scale of each project, the use of indigenous approaches to redevelopment versus large-scale homogenous plans, and the cultural attachments to place all matter in terms of how the growth machine sells the project to the community as well as how the community responds to the development project.

## **Conclusions**

In this project, I have integrated growth machine theory into theories of neoliberalism and globalization to focus on urban processes in a smaller city, specifically Knoxville, TN. I highlight how changing economic structures leads government to pursue alternative economic opportunities to deal with fiscal downturn. I also show that locale and scale, local control of development, and cultural attachment to place matter to both the success and/or failure of a project as well as to reactions of the community.

There are two primary ways I want to pursue future research of this topic. I would like to pursue the outdoor tourism growth machine as it grows in Knoxville. Research into the overuse of national parks and large recreational areas is abundant, but it would be useful to see how that translates to a smaller scale. Ecosystems are changed when \$100,000 bike trails are installed. Bird canopy is affected when zip lines are added to nature preservations. This industrial tourism of the natural world would make for an interesting and important contribution to urban literature.

Secondly, this project is a snapshot of development in Knoxville at the end of summer 2016. Much of the development is still ongoing and new areas have been slated for gentrification. This study needs to continue and expand in Knoxville to examine the development and corridor projects discussed here once they are finished but also to include the Magnolia Avenue redevelopment project.

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## **VITA**

Katie Morris was born in Knoxville, TN in 1980. As a young child she left East Tennessee and moved to Memphis where she stayed until she graduated from St. Mary's Episcopal School in 1999. Morris received her B.A. in Sociology at the University of Tennessee-Knoxville (UTK) in 2004, her M.A. in Sociology from UTK in 2007, and finally her PhD in Sociology from UTK in 2016.