



AGENDA ACTION FORM

Consideration of a Resolution to Initiate a Recipient-to-Recipient Asset Transfer for Former KATS Facilities

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-148-2025
Work Session: May 19, 2025
First Reading: N/A

Final Adoption: May 20, 2025
Staff Work By: Committee
Presentation By: C. McCartt

Recommendation:

Approve Resolution.

Executive Summary:

If approved, this Resolution will initiate a process with FTA to begin the disposition of the former KATS Garage at 121 Clay Street and the former KATS Transit Facility at 109 Clay Street/222 W Main Street. In 2019, KATS cut the ribbon on a brand-new transit facility and in 2023, they opened the new transit garage. The former garage and facility have been used sparingly in the past few years while the transition to the new facilities was in process. It is now time to discuss the disposition of these facilities as transit no longer has use for the property.

Staff have been in contact with the Federal Transit Administration (FTA) and TN Department of Transportation (TDOT) regarding the disposition of these properties. FTA has provided guidance to the city on the appropriate disposition of the properties since there were federal and state funds involved in the acquisition. Before moving forward with a fair market sale of the subject properties, action needs to be taken by the City to acknowledge the federal funding and interest remaining in the property as well as provide assurance that the FTA and TDOT percentage of sale (when the time comes to sell) will be retained by the City to be used only for future transit capital projects.

| Location | 121 Clay Street | 109 Clay Street & 222 W Main Street |
|-----------------------------------|--|---|
| Improvements/Cost Participation % | \$241,500 total purchase price. Agency Breakdown: FTA provided \$193,200 (80%); TDOT \$24,150 (10%); City \$24,150 (10%) | \$1,622,955 total investment. Agency Breakdown: FTA provided \$911,864 (56%); EDA \$236,500 (15%); ARC \$150,000 (9%); TDOT \$113,983 (7%); City \$210,608 (13%) |
| Original FTA Participation | 80% | 56% |
| Federal Interest Remaining | \$274,000 | \$560,000 |

This action does not initiate the sale of the property but is the first step in the public process for disposition. Further action by the BMA will be needed as the process moves forward.

Attachments:

1. Resolution
2. Supplemental Information

| | Y | N | O |
|------------|---|---|---|
| Baker | — | — | — |
| Cooper | — | — | — |
| Duncan | — | — | — |
| George | — | — | — |
| Mayes | — | — | — |
| Phillips | — | — | — |
| Montgomery | — | — | — |