

**COUNCIL LETTER
CITY OF KNOXVILLE
June 6, 2016**

AGENDA ITEM: Staff is seeking Council direction on the property at 1346 138th Place.

BACKGROUND: In planning for future needs for the City's Water Reclamation Facility the City acquired property at 1346 138th Place. The property includes acreage for future plant upgrades and expansion, and for spreading byproduct material generated through the treatment process. This property also included a residence that has been rented in the past. It has been difficult for the City to find good renters, and recent renters have not paid rent. At the same time the City has maintained this property and received minimal if any returns on these investments.

POLICY QUESTION: What should the City do with the residence at 1346 138th Place?

BUDGET IMPACT: Budget impact will depend on Council direction. If the property continues as a rental the impact would be the cost of continued maintenance, and additional expense of rehabbing the home. If the home is demolished or used as a training burn for the Knoxville Fire Department there would be costs associated with removal of the structure. Staff has not bid the demolition to take quotes as we are waiting for Council direction.

RECOMMENDATION: Staff recommends removal of the structure. Efforts to find reliable renters have been unsuccessful in the past and have resulted in costs to the City that have exceeded any revenues collected.