



**U.S. Department
of Transportation**
**Federal Transit
Administration**

REGION IX
Arizona, California,
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American Samoa,
Northern Mariana Islands

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May 26, 2021

Mr. Claude McFerguson
Director of Transportation
City of Commerce
5555 Jillson Street
Commerce, CA 90040

Re: Administrative Appraisal and In-Kind Concurrence;
5926 Sheila Street
(APN 6334-025-911, APN 6334-025-912)

Dear Mr. McFerguson:

The Federal Transit Administration (FTA) has reviewed the City of Commerce (City) letter dated April 21, 2021, and subsequent information received on May 5, 2021 and May 13, 2021, requesting FTA concurrence for the administrative appraisal review and in-kind contribution as described in your letter (including supporting documentation). The property is located on 5926 Sheila Street, Commerce, California, 90040 (Property). The City has determined that the Property is the most suitable site for a future Transit Maintenance Facility (TMF) and it is proposed to be used for a local in-kind contribution to the project. Your letter requested FTA concurrence on the administrative appraisal review and in-kind contribution of the Property. This letter addresses both requests.

Appraisal and Review Appraisal

The parcel is comprised of two contiguous tax parcels that form a “flag-shaped” lot, with an interior site totaling approximately 283,576 square feet or 6.51 acres, and zoned for industrial and public use. The City currently operates a public compressed natural gas fuel station onsite. There are also substantial improvements onsite from a previous use as a substation and “refuse to energy” facility. The City maintains joint ownership of the Property with the Commerce Refuse to Energy Authority.

FTA’s review was conducted on the basis of its conformance to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and its implementing regulations at 49 CFR Part 24. This review was not done for purposes of making a value determination; it is an administrative review for purposes of determining if the City’s appraisal and review appraisal meet the requirements for FTA funding participation.

In-kind Contribution, Contamination, and Concurrence

The City performed a comprehensive review to identify suitable properties for a future TMF. The Property was identified as the best option to meet the City’s current and future transit needs.

The appraisal report references environmental contamination on the property and states that the cost of remediation is the responsibility of the City of Commerce. The “as-is” value represents the value knowing that there is contamination. An estimate of cleanup costs has not been determined. Please keep in mind that FTA will not participate in paying for remediation that is the legal responsibility of another party unless: 1) the site was previously utilized for transportation and the transit agency is responsible for cleanup, or 2) seeking or obtaining compensation from the potentially responsible parties would involve excessive litigation and delay. In addition, FTA cannot participate in the funding of any clean-up of this property if the requirements in Circular 5010.1E are not met. *See FTA Circular 5010.1E, Page IV-10, (2) g., (6), Contaminated Property.*

FTA has reviewed the in-kind contribution request provided by the City and concurs with the valuation of \$6,730,000 to be used as part of the non-federal share in a subsequent FTA eligible capital grant. A copy of this approval letter must be uploaded as an attachment to the grant application in FTA’s electronic grant-making system, TrAMS. Our concurrence is based upon guidance in FTA Circular 5010.1E, Page IV-5, (2) d., Appraisal Concurrence Requirement and FTA Circular 5010.1E, Page IV-9, (2) g., (2), In-Kind Contributions, “Recipients may use in-kind contributions of real property as part of the non-federal share so long as the property to be donated is needed to carry out the scope of work of the Award.” Please be advised that when in-kind contributions for a federally-assisted project are used as a local match a federal interest attaches to real property. The recipient is expected to record the in-kind contribution in the recipient’s file system, showing that the property is restricted for use of the capital project. Please note that if recipient disposes of the real property at a future date, the federal interest percentage must be applied to the fair market value at the time of disposition.

Please be advised that FTA has not reviewed this in-kind contribution for compliance with all applicable requirements; neither you nor any other party may rely on FTA’s approval as evidence that actions under this concurrence comply with any other Federal law, procurement requirement or standard. This review and approval makes a determination only as to FTA concurrence on the in-kind valuation of the Property to a subsequent grant.

Under Section 11 of the Master Agreement dated February 9, 2021, FTA has the right to terminate funding for the project, if, among other reasons, the recipient fails to make reasonable progress on the project or the federal government determines that continuing to provide federal assistance to support the award does not adequately serve the purposes of the law authorizing the award. Should FTA terminate funding for the project, it has the discretion to potentially recover all funds provided for the Project, including the funds authorized by this letter.

If you have any questions regarding this matter, please contact Ms. Brenda Pérez, Transportation Program Specialist, at (213) 629-8603, or by e-mail at brenda.perez@dot.gov.

Sincerely,

RAYMOND S TELLIS

Ray Tellis
Regional Administrator