

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, AUTHORIZING STAFF TO 1) PROCEED WITH THE CONSTRUCTION REDESIGN PLANS TO MINIMIZE THE PROJECT FOOTPRINT AND LOWER COSTS 2) EXPLORE AVAILABLE GRANT FUNDING OPPORTUNITIES AND FINANCING OPTIONS TO MINIMIZE THE CITY’S FINANCIAL BURDEN 3) INITIATE A REQUEST FOR PROPOSAL (RFP) FOR THE DEMOLITION OF THE FORMER COMMERCE-REFUSE-TO-ENERGY AUTHORITY (CREA) SITE

WHEREAS, the required elements for the new transit maintenance facility project were determined through short— and long-range transit planning, current federal funding opportunities, and consideration of meeting transit needs through 2045. The City's fleet size and staffing levels have doubled since the original Transit Maintenance Facility (TMF) was built in 1997. The existing transit maintenance facility is inadequate for servicing the City’s fleet and associated transportation needs; and

WHEREAS, the existing Transit Maintenance Facility no longer meets the current and future operational needs of the transit system. As such, buses and vehicles frequently must double park throughout the facility due to limited parking spaces, which causes problems during morning pull-outs or vehicle breakdowns in the yard. To temporarily mitigate the existing parking shortages and barriers to transportation operational needs, transportation utilizes the vacant lot across the street to park overflow vehicles and equipment awaiting repairs. Furthermore, due to limited office space, transportation conducts its regularly scheduled employee safety meetings and training workshops off-site at the old Emergency Operating Center (EOC) at City Hall or the Rosewood Park meeting room, depending on availability; and

WHEREAS, the City successfully secured \$31 million in federal grant funds for the new transit maintenance facility project. It is important to note, however, that while the grant funds have been awarded, the actual funds have not yet been disbursed to the City. Below is a breakdown of the funding sources; and

WHEREAS, the Federal Transit Administration recently notified the City of Commerce that the federal grant funds received are at risk. According to the federal administration's new priorities, cities and agencies in California are strongly encouraged to obligate the funds as soon as possible; otherwise, the City will risk losing the grant funds. Due to the current federal government's new priorities, future grant opportunities may be limited; and

WHEREAS, the City received written approval from the Federal Transit Administration (FTA) to utilize the purchase and demolition of the former Commerce Refuse to Energy Authority (CREA) site as in-kind contributions to meet the City’s “shovel-ready” and local match requirements for the proposed project. Shovel-ready refers to infrastructure projects that are prepared for immediate construction because they have completed the necessary planning, design, and permitting, and can begin quickly once funding is secured; and

WHEREAS, the anticipated cost for the new transit facility project, including a 10% contingency, is approximately \$50 million, while the available federal grant funding amount is \$31 million, resulting in a shortfall of roughly \$19 million. City staff will continue to explore funding opportunities and financing options for the proposed project to minimize the city's financial burden. The City’s local match requirement for the project is \$6.2 million. The Federal Transit Administration approved the City to use the former CREA property and the demolition of the CREA site as in-kind contributions to meet the City’s local match requirement; and

WHEREAS, the City has spent \$3.1 million in federal funds from a separate grant (CA-2022-135-00) for permitting, architectural, engineering, and design services, including federal and state environmental testing. It is important to note that if the City decides not to proceed with the new transit maintenance facility project, the \$3.1 million must be returned to the Federal Transit Administration; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE, AND DETERMINE AS FOLLOWS:

Section 1. The City Council of the City of Commerce hereby finds and declares that the foregoing recitals are true and correct, and incorporates them herein as findings and as a substantive part of this Resolution.

Section 2. Authorize staff to proceed with the construction redesign plans to minimize the project footprint and lower costs and initiate a Request for Proposal (RFP) for a new TMF.

Section 3. Authorize staff to explore available grant funding opportunities and financing options to mitigate the City's financial burden.

Section 4. Authorize staff to initiate an RFP for the demolition of the former Commerce-Refuse-to-Energy Authority (CREA) site. This will meet the FTA's "shovel-ready" and local match requirements and demonstrate progress to FTA for reporting purposes.

Section 5. Authorize the Mayor to execute this Resolution.

Section 6. The City Clerk shall certify the adoption of this Resolution.

PASSED, APPROVED, AND ADOPTED this 14th day of October 2025.

Ivan Altamirano, Mayor

ATTEST:

Lena Shumway
City Clerk