



CITY OF COMMERCE AGENDA REPORT

Item No. _____

TO: Honorable City Council

FROM: City Manager

SUBJECT: New Transit Maintenance Facility Project

MEETING DATE: October 14, 2025

RECOMMENDATIONS

- 1) Authorize staff to proceed with the redesign of the new Transit Maintenance Facility (TMF) to minimize the project footprint to lower overall costs and initiate a Request for Proposal (RFP) for the redesign of TMF.
- 2) Authorize staff to explore available grant funding opportunities and financing options to minimize the City's financial burden.
- 3) Authorize staff to initiate a Request for Proposal (RFP) for the demolition of the former Commerce-Refuse-to-Energy Authority (CREA) site.

BACKGROUND

The required elements for the new TMF project were determined through short— and long-range transit planning, current federal funding opportunities, and considering transit needs through 2045. The City's fleet size and staffing levels have doubled since the original TMF was built in 1997. The existing TMF is deemed inadequate for servicing the City's fleet and associated transportation needs.

ANALYSIS

The existing TMF 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.

Summary of Federal Grant Awards

The City successfully secured \$31M in federal grant funds towards the new TMF 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.

Fiscal Year	Federal Funding Source	Grant Award Amounts	Local Match %	Local Match \$	Obligation Date
2024	Commerce FY24 Annual FAP 5307 Capital Fund Balance	\$146,452			09/30/2028
2024	Community Project Funding Capital Grant Program (Via Congressman Robert Garcia's Office)	\$500,000	20%	\$100,000	09/30/2027
2024	Low- or No-Emission Capital Grant Program	\$14,229,180	20%	\$2,845,836	09/30/2027
2025	Metro 15% Competitive Capital Grant Program	\$8,277,148	20%	\$1,635,496	09/30/2028
2026	Metro 15% Competitive Capital Grant Program	\$6,830,038	20%	\$1,366,007	09/30/2029
2027	Commerce FY27 Annual FAP 5307 Allocation	\$1,046,775	20%	\$209,355	09/30/2031
	Total	\$31,029,593		\$6,156,694	

Uncertainty on Future Funding

The Federal Transit Administration (FTA) recently notified the City 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.

FISCAL IMPACT

The estimated cost of the new TMF project, including a 10% contingency, is \$50.0 million. The available federal grant funding totals \$31.0 million, leaving a funding shortfall of \$19.0 million.

City staff will continue to explore funding opportunities and financing options to minimize the city's contribution to the project. The City's local match requirement for the project is \$6.2 million. The FTA has approved the use of the purchase and demolition value of the former Commerce CREA site as an in-kind contribution toward this match, helping the city meet the FTA's "shovel-ready" and local match requirements.

The project is considered shovel-ready, meaning it has completed the necessary planning, design, and permitting phases and can begin construction once full funding is secured. To date, the city has spent approximately \$3.1 million in federal grant funds from a separate grant (CA-2022-135-00) on engineering design services and required federal and state environmental testing.

If the city decides not to proceed with the TMF project, the \$3.1 million in federal funds already spent would need to be returned to the FTA.

ALTERNATIVES:

1. Approve staff recommendations
2. Not to approve staff recommendations and give staff further directions
3. Not to move forward with the project; If the Council chooses not to move forward with the project, staff will inform the FTA, LA METRO, and Congressman Garcia's office that the City will not proceed with the proposed project and request the funds be transferred to another eligible project, however there is no certainty that the funds will be transferred to another eligible project. If unsuccessful, return the unobligated grant funds.

RELATIONSHIP TO STRATEGIC GOALS

This agenda item relates to Goal #6 of the 2016 Strategic Plan, "Enhance Quality of Life Goal." By ensuring the City of Commerce Transit complies with the CARB zero-emission mandate, the City will improve its overall quality of life.

ALTERNATIVES:

1. Approve staff's recommendations.
2. Reject the staff's recommendations.
3. Provide staff with alternate or further direction

Prepared and recommended by: Claude McFerguson, Director of Transportation

Approved by: Shahid Abbas, Director of Public Works

Fiscal impact reviewed by: Alvaro Castellon, Director of Finance

Approved as to form: Noel Tapia, City Attorney

Respectfully submitted: Ernie Hernandez, City Manager

Attachments:

1. Resolution
2. FTA Approval – Local Match In-Kind Contribution