



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

REGION IV  
Alabama, Florida, Georgia,  
Kentucky, Mississippi,  
North Carolina, Puerto  
Rico, South Carolina,  
Tennessee, Virgin Islands

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Atlanta, GA 30303  
404-865-5600  
404-865-5605 (fax)

**JUL 25 2016**

Mr. David C. Schwartz  
Asst. City Attorney  
City of Gainesville  
200 E. University Ave.  
Gainesville, FL 32601

RE: Appraisal and Disposition of Former RTS Maintenance Facility in City of Gainesville

Dear Mr. Schwartz:

RTS recently acquired a new maintenance facility and now wishes to dispose of the old facility, at 100 S. E. 10<sup>th</sup> Avenue, Gainesville, Florida 32601. In your letter dated, May 27, 2016, you state that FTA has a federal interest in the property, note that there may be several parties interested in acquiring the property and request disposition instructions. Before FTA can provide RTS any instructions regarding disposition of the property it needs information from RTS that details the complete grant history of the old maintenance facility. We ask RTS to research and provide FTA with a list of each FTA grant used to fund the property, by **number, amount, year awarded and a brief description** of how the money was used. It is also noted that RTS has had the facility appraised. Please provide a copy of the appraisal to FTA.

Regarding the eventual disposition of the property, your letter mentions only one disposition method. Please note there are numerous alternative disposition methods. **23 CFR 200.311** and **FTA C 5010.1D 11/01/2008 Rev. 1 8/27/2012**, list all the available disposition options. We have attached a brief description of the disposition methods which might be considered by RTS and FTA. RTS, depending on which option it chooses to dispose of the property, may be responsible for the fair market value of the property or the straight line depreciated value of any improvements plus the value of the land, whichever is higher.

Ultimately, which option RTS choses to dispose of the property is a local decision. We would however need to approve the method of disposition. If you have any further questions please contact Mr. Chris White in my office at 404-865-5619 or at [Christopher.white@dot.gov](mailto:Christopher.white@dot.gov).

Sincerely,

*For* Yvette G. Taylor, Ph.D.  
Regional Administrator

## Attachment: Alternative Disposition Methods

(c) Alternative Disposition Methods. When real property is no longer needed for any transit purpose, the grantee will request disposition instructions from FTA. The allowable alternative disposition methods are as follows:

- 1 Sell and Reimburse FTA. Competitively market and sell the property and pay FTA the greater of its share of the fair market value of the property or the straight line depreciated value of the improvements plus land value. FTA's share of the fair market value is the percentage of FTA participation in the original grant multiplied by the best obtainable price, net of reasonable sales costs.
- 2 Offset. Sell property and apply the net proceeds from the sale to the cost of replacement property under the same program. Return any excess proceeds to FTA in accordance with 49 CFR 18.31.
- 3 Sell and Use Proceeds for Other Capital Projects. Sell property and use the proceeds to reduce the gross project cost of another FTA eligible capital transit project. See 49 U.S.C., 5334(h)(4). The grantee is expected to record the receipt of the proceeds in the grantee's accounting system, showing that the funds are restricted for use in a subsequent capital project, and reduce the liability as the proceeds are applied to one or more FTA approved capital projects. FTA must approve the application of the proceeds to a subsequent capital grant, which should clearly show that the gross project cost has been reduced with proceeds from the earlier transaction.
- 4 Sell and Keep Proceeds in Open Project. If the grant is still open, the grantee may sell excess property and apply the proceeds to the original cost of the total real property purchased for that project. This may reduce the Federal share of the grant.
- 5 Transfer to Public Agency for Non-Transit Use. Follow procedures for publication in *Federal Register* to transfer property (land or equipment) to a public agency with no repayment to FTA. This is a competitive process, and there is no guarantee that a particular public agency will be awarded the excess property. See 49 U.S.C., 5334(h)(1)–(h)(3).
- 6 Transfer to Other Project. Transfer property to another FTA eligible project. The Federal interest continues. FTA C 5010.1D 11/01/2008 Rev. 1: 8/27/2012
- 7 Retain Title With Buyout. Compensate FTA by computing percentage of FTA participation in the original cost. Multiply the current fair market value of the property by this percentage. The grantee must document the basis for value determination; typically, this is an appraisal or market survey. Alternatively, the grantee may pay the straight line depreciated value of improvements plus land value, if this is greater than FTA's share of the fair market value.
- 8 Sales Procedure. Sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return or at least payment of appraised fair market value.
- 9 Joint Development. A transfer meeting the tests for joint development is not a disposition, and the proceeds are deemed program income. For additional information on use and

eligibility of joint development projects see FTA Guidance (72 FR 5788, Feb. 7, 2007) as the final agency guidance on the “Eligibility of Joint Development Improvements Under Federal Transit Law.” See also the definition of a capital project at 49 USC 5302(a)(1)(G)

*FTA C 5010.1D 11/01/2008 Rev. 1: 8/27/2012*