



**Office of the City Manager**

**Memo**

To: Honorable Mayor and Members of the City Commission  
Via: Deborah Bowie, Interim City Manager   
From: Daniel Hoffman, Assistant City Manager   
CC: Malisa McCreedy, Director of Mobility  
Jesus Gomez, Transit Director  
Sarit Sela, City Architect  
Date: 4/24/2019  
Re: Disposition of Old RTS Facility

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Over the past year, and more intensely during the past two months, the City has received expressions of interest in the former Regional Transit System (RTS) maintenance facility, located just south of Depot Park. Staff has also identified some potential opportunities to reuse the space as a public amenity. Although we are making no recommendations about the future use of the site at this time, we feel the Commission should discuss it at a future meeting. The following are some of the expressions of interest and opportunities:

- Multiple private developers have approached the City regarding developing the site for businesses such as a water park and a climbing gym.
- Akira Wood has approached the City about relocating their operation to the site and redeveloping their current property (better known as Heartwood). Communication from Akira Wood has been attached.
- The site has been discussed as a potential location for a public amenity or extension of Depot Park.
- The site is already used for overflow Depot Park parking. It is also being utilized for staff supporting Depot Park. In the future a portion could be retained to support park operations downtown.
- The site is also partially used to support transit projects such as bus shelter assembly and autonomous shuttle preparation. It is possible, via partnerships with the University of Florida, to repurpose a portion of the site for transportation functions and research.
- We have also had suggestions related to creating additional parking or future private housing development. It has also been raised as potentially being part of a future Power District solicitation.

Staff are making no recommendations at this time but would rather obtain Commission direction before spending staff time pursuing any of these opportunities. The US Department of Transportation (USDOT) has provided guidance to the City regarding our options should we choose to dispose of it or use it for a non-transit purpose. A letter from USDOT is attached which describes these disposition options in detail. We respectfully request this be placed on an upcoming meeting of the Commission.

## Hoffman, Daniel C

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**From:** Hoch Shitama <hoch@akirawood.com>  
**Sent:** Monday, April 22, 2019 4:20 PM  
**To:** Hoffman, Daniel C  
**Cc:** Ben Shitama; noahkai@gmail.com; Bruce Brashear; Sela, Sarit  
**Subject:** Old RTS Maintenance Facility

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dan:

Per our conversations, I would like to make the following preliminary proposal for the future use of the above mentioned property. As you know the background for this proposal is that it is my intention to find another home for Akira Wood, Inc., preferably in the same area of downtown Gainesville. The reason for this is that I think in order to comply with the City's and CRA's development ideas and to re-purpose the Baird Center property to its highest and best use it will be necessary for Akira to vacate the 30,000 SF that it occupies in this complex. I have a contract to purchase another property outside the city limits which is currently in its due diligence period. However, it is clear to me that the RTS property is a better fit for Akira. The company has been in this location since 1981.

We are currently making preliminary plans to create around Heartwood Soundstage and ART an Arts and Entertainment complex that will include a food hall, restaurants, family friendly entertainment and shops (please reference The Armature Works in Tampa). In addition, we are developing plans to build a suitable and compatible multi use venue on the southeast corner of our property that would expand that use.

The proposal is:

We purchase the existing RTS parcel and its fixed contents for a mutually agreed upon sum.

I suggest since the property under the existing high voltage transmission lines is not buildable, that the city retain ownership of this and maintain it as an overflow parking area for Depot Park and its surrounds. We require a transportation lane that will allow ingress and egress for tractors with 53' trailers. We would also like to be allowed to park in this parking area.

We also believe the city should retain ownership of the area outside the western fence line that encompasses the southernmost pond and trails in the park.

We would prefer to include as part of the sale the employee parking lot across SE 10<sup>th</sup> Street although this can be the subject of negotiation.

We are interested in a commitment within the next 60 days and a closing within the next 5-8 months.

Because we believe that the company requires room for growth, we believe that we will have to, even initially, expand the building footprints or remove and replace an additional building on the property. It would thus require the right conditions for us to entertain a long term lease agreement on the property.

We think this fulfills a number of positive outcomes.

- It keeps Akira in the city limits and in the neighborhood.
- It maintains parking for the Park and the South Main corridor.
- It puts the property on the rent roll.
- It allows for the possibility of a corridor from Downtown to the Park.
- It allows for the creation of an Arts and Entertainment center in the South Main corridor.

Please let me know when an appropriate time to approach the commission might be.

Thanks for your hard work in making Gainesville a special place.

Hoch Shitama



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

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

230 Peachtree St., N.W.,  
Suite 1400  
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

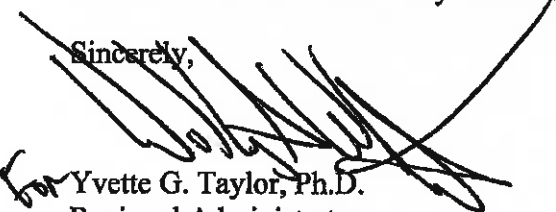
Dear Mr. Schwartz:

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 chooses 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,

  
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*