



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

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

200 West Adams Street
Suite 320
Chicago, IL 60606-5253
[REDACTED]
312-886-0351 (fax)

March 7, 2016

Brian Lamb, General Manager
Metro Transit
560 Sixth Avenue North
Minneapolis, MN 55411-4398

Re: Response to Federal Interest in 400 Snelling Avenue North, St. Paul, Minnesota

Dear Mr. Lamb:

The Federal Transition Administration (“FTA”) received your February 9, 2016 letter and memorandum, which makes the case that no federal interest remains in the real property at 400 Snelling Avenue North, St. Paul, Minnesota (the “Snelling Property”). However, because the land was purchased with federal assistance, the federal interest continues until the land is disposed of and/or the federal interest is extinguished.

The memorandum points out that the federal interest in the real estate originated with a 1970 grant awarded by the Urban Mass Transportation Administration (“UMTA”), which was DOT’s transportation agency at the time. It goes on to state that because a 1964 and 1970 statute allowed the definition of “facilities and equipment” to include land, the federal interest in the Snelling Property must have expired after the useful life for facilities and equipment at the time – twenty years. However, it is a long-held principle of federal grant rules that real property has no useful life because, by its very nature, it does not depreciate. See 2 C.F.R. Part 200.312. FTA Circular 5010.D, page I-10. FTA Master Agreement, Section 21. Thus, while the grant agreement provided that facilities and equipment are to be used for mass transportation during its 20-year useful life, that principle would not extend to the real property.

Further, the change in name from UMTA to FTA by the Federal Transit Act of 1991 (the “Act”) was an administrative one that effected no substantive change. Thus, it did not warrant any change to the grant agreement or otherwise affect the Snelling Property. The Act simply amended the name of the DOT transportation agency. This is validated by the Act’s “grandfathering” language pointed out in Paragraph V(f) of the memorandum, stating that: “it should not be construed as affecting the validity of any existing ... Full Funding Grant Agreement.”

If you have any further questions or comments, please feel free to contact me. Otherwise, we look forward to continuing to work with Metro Transit on its joint development application for this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Marisol R. Simón". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping underline.

Marisol R. Simón
Regional Administrator

jb