



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

REGION VIII
Colorado, Montana,
North Dakota,
South Dakota,
Utah and Wyoming

1961 Stout Street
Suite 13301
Denver, Colorado 80294
(303) 362-2400 (voice)

November 3, 2022

Jay Fox
Executive Director
Utah Transit Authority
600 West 220 South
Salt Lake City, UT 84130

Re: Ogden - Weber State University Bus Rapid Transit (OGX) Project –
Administrative Settlement Request for Parcel 129: Rehman Family Properties #2 LLC
Award No.: UT-2021-021

Dear Mr. Fox:

This letter responds to the Utah Transit Authority's (UTA) request seeking concurrence with an administrative settlement for the acquisition for Parcel 129 located at 3511 Harrison Blvd, Ogden, UT. The property, which is necessary for the construction of the Ogden - Weber State University Bus Rapid Transit (OGX) Project, is owned by Rehman Family Properties #2, a limited liability company. The property is improved with commercial development and consists of 26,547 square feet of land. UTA required the fee acquisition interest of 1,668 square feet, and temporary construction easement totaling 1,370 square feet. The acquisition does not directly impact the improvements. UTA is requesting an administrative settlement in the total amount of \$219,600 which is \$162,000 over the original offered amount of \$57,600.

Based on the initial appraisal, in July 2021, an offer was presented to and accepted by the owner in the amount of \$57,600. In September 2021, the owner emailed UTA stating that they were misled by the true nature of a 'dedicated bus lane' by the property, in not clearly disclosing that the northbound traffic would not be allowed to turn into their place of business. In investigating the claim, UTA reached out to the appraiser who admitted that they did not realize the median was being installed and did not account for severance damages. A revised appraisal and appraisal review determined the takings at \$219,600 which included severance damages in the amount of \$150,000 for the change in access. Having already paid \$57,600, the parties agreed to an additional \$162,000, pending FTA approval.

According to UTA's legal counsel with the Attorney General's Office, the administrative settlement was arrived after lengthy negotiations between the parties and in consideration of the expected expense of going to trial in the matter. It is believed that the risks and expenses of proceeding to trial on the condemnation outweigh the expense of settling the acquisition for an administrative settlement of \$162,000.

UTA's settlement justification, including the supporting documentation satisfies the requirements of the 49 CFR § 24.102(i) and FTA Circular 5010.1E, Chapter IV, subsection 2.e(5). Further, because the property is necessary for construction of the Project, FTA concurs that the requested administrative settlement of \$162,000 is reasonable, prudent, and in the public interest.

FTA specifically advises that FTA Circular 5010.1E requires the Recipient to "consider the effect, if any, that contamination has on the market value of the property being valued." FTA cannot participate in the funding of any clean-up of the property areas if the requirements in Circular 5010.1E are not met.

Should you have any questions regarding this matter, please contact Tiffany Gallegos, at (303) 362-2390 or tiffany.gallegos@dot.gov.

Sincerely,

CINDY ELISE
TERWILLIGER

 Digitally signed by CINDY ELISE
TERWILLIGER
Date: 2022.11.03 15:12:30 -06'00'

Cindy Terwilliger
Regional Administrator

Cc: Spencer Burgoyne, UTA Manager of Property Administration
Andrea Pullos, UTA OGX Project Manager