

MEMORANDUM

TAB 75

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 26-27, 2019

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(1), Action Item – **REPLACEMENT ITEM**

Prepared By: Jennifer S. Lowden, Chief
Division of Right of Way and Land Surveys

Subject: **AIRSPACE LEASE – REQUEST TO DIRECTLY NEGOTIATE WITH 1911 SAN DIEGO, L.L.C.**

ISSUE:

Should the California Transportation Commission (Commission) approve a request by the California Department of Transportation (Department) to directly negotiate a long-term lease with 1911 San Diego, L.L.C.?

RECOMMENDATION:

The Department recommends that the Commission approve a request to directly negotiate a long-term lease with 1911 San Diego, L.L.C.

SUBJECT PROPERTY:

The subject lease area, SDX-005-0053-01, is an approximately 704 square foot (s.f.), undeveloped site located on Interstate 5 in the City of San Diego where Noell Street crosses underneath the freeway. The parcel is situated between the traveled way and the edge of the right of way limits. The proposed site is 8 feet wide and approximately 88 feet long. There is a steep up slope from the City sidewalk to the proposed lease site and the lessee's parcel. While there is public street access, the site only has economic value to 1911 San Diego, L.L.C.

BACKGROUND

Streets and Highways (S&H) Code Section 104.12 (a) requires that any lease that the Department enters into be in accordance with Commission procedures. Commission Resolution G-02-14, Section 1.4, states the Department is authorized to enter into leases with a private entity only after competitive bidding unless the Commission finds it would not be in the best interest of the State to do so. 1911 San Diego, L.L.C, is the holding company for a civil engineering and surveying firm. They own the site's adjoining parcel where they plan on renovating the existing parking lot and structure into an office building for their company. To create a functional parking lot that maximizes the number of spaces, 1911 San Diego, L.L.C. will need to demolish the existing lot, trim the eucalyptus trees on the State's right of way and move the right of way fence 8 feet into the right of way. This will create a lease area of 704 square feet. The improvements within the right of way will include earthwork, a retaining wall, a new right of way fence and new landscaping. The proposed improvements are within the conceptual phase of the District Airspace Review Committee. A long term lease is requested in order to amortize the improvements. This area is not eligible for decertification and sale as an Excess Parcel.

BENEFIT TO THE STATE:

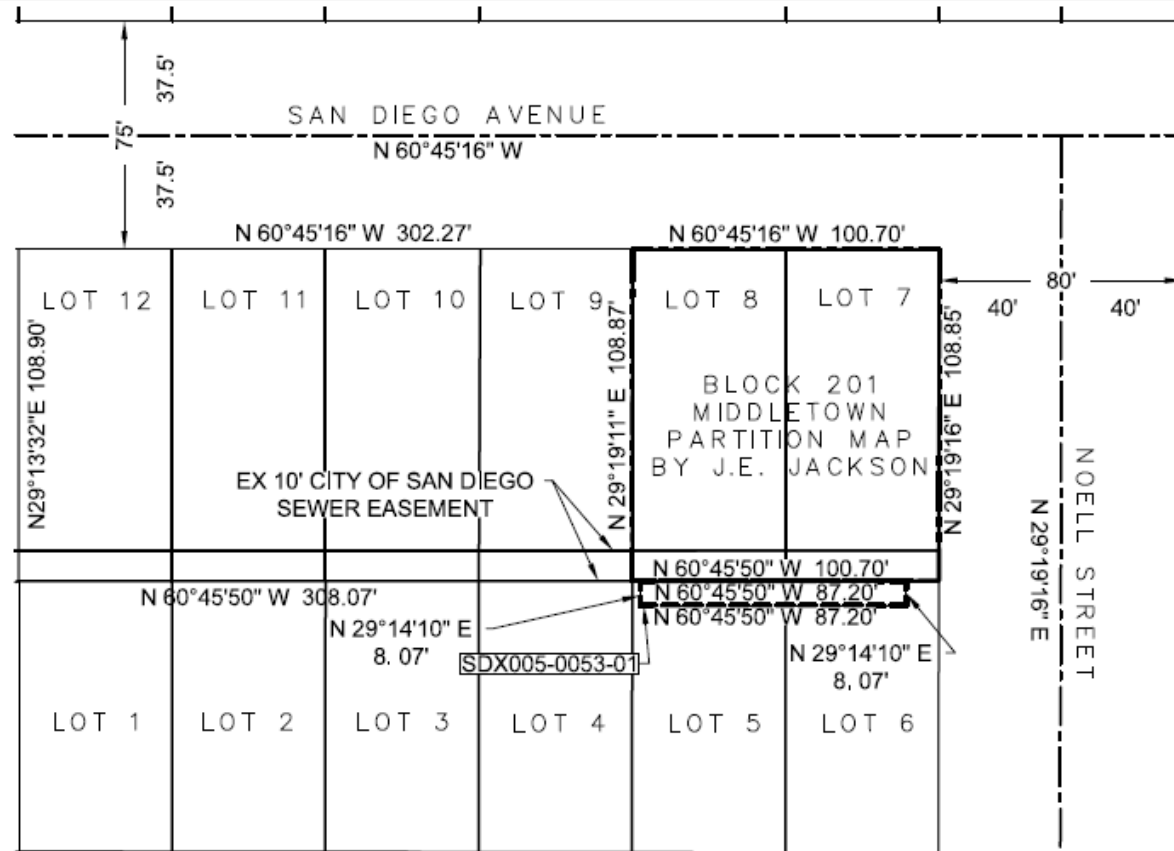
- This lease will create a long-term revenue stream for the State.
- There will be reduced maintenance costs to the State's right of way.
- The State will have new parking improvements.

SUMMARY:

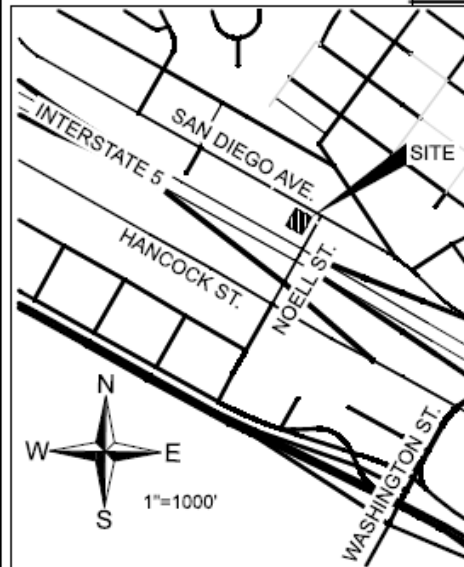
The ability to directly negotiate with 1911 San Diego, Ave., L.L.C. is in the best interest of the State. The subject parcel is currently part of the operating right of way adjacent to 1911 San Diego, Ave., L.L.C. The proposed improvements will substantially improve the site, provide a deterrent to vandals, increase security, and contribute to the livability of the neighborhood. A long-term lease will allow the Department to receive fair market rent for an extended period with the ability to increase rent as the market changes, while also allowing for the necessary upgrades to the site.

Attachments: Exhibit A - Parcel map of SDX-005-0053-01

NOTE: THE STATE OF CALIFORNIA OR ITS OFFICERS OR AGENTS SHALL NOT BE RESPONSIBLE FOR THE ACCURACY OR COMPLETENESS OF DIGITAL IMAGES OF THIS MAP.



VICINITY MAP



I-5 ROW



SDX005-0053-01	AREA
GROSS AREA	704 S.F.

NOTES
 THE BOUNDARIES AND DIMENSIONS OF THE SURVEYED PARCEL(S) SHOWN HEREON ARE BASED ON A FIELD SURVEY. RECORD DIMENSIONS MAY VARY. THE BASIS OF BEARING FOR THIS SURVEY IS THE CALIFORNIA COORDINATE SYSTEM 1983 (CCS83), ZONE 6, 2017.5 EPOCH, AND IS DETERMINED BY G.P.S. MEASUREMENTS TAKEN ON OCTOBER 31, 2018 AND WERE ESTABLISHED FROM CONTINUOUSLY OPERATING REFERENCE STATIONS (CORS) S1105 AND P472 DERIVED FROM GEODETIC VALUES PUBLISHED BY THE CALIFORNIA SPATIAL REFERENCE CENTER (CSRC) AND/OR NATIONAL GEODETIC SURVEY (NGS), RESPECTIVELY. I.E.: N 68°53'57" E

LEGEND

	FREEWAY LEASE AREA
	STATE PARCEL BOUNDARY

STATE OF CALIFORNIA
 CALIFORNIA STATE TRANSPORTATION AGENCY
 DEPARTMENT OF TRANSPORTATION
RIGHT OF WAY
FREEWAY LEASE AREA
MAP NO. SDX005-0053-01
 FOR PREVIOUS R/W INFORMATION SEE MAP LO-3553

0 60 120

TO DESIGN: 05/08/19 E A (s):

DISTRICT	COUNTY	ROUTE	SHEET PM	SHEET NO.	TOTAL SHEETS
11	SD	5	18.5	1	1