

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: June 24-25, 2020

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c., Action Item

Prepared By: Mark Phelan, Chief (Acting)  
Division of Right of Way and Land Surveys

Subject: **AIRSPACE LEASE – REQUEST TO APPROVE TERMS, CONDITIONS, AND EXECUTION OF A 30-YEAR AIRSPACE LEASE WITH THE EMERYVILLE TRANSPORTATION MANAGEMENT ASSOCIATION**

### **ISSUE:**

Should the California Transportation Commission (Commission) approve a request by the California Department of Transportation (Department) to approve terms, conditions, and execution of a long-term airspace lease with the Emeryville Transportation Management Association (ETMA)?

### **RECOMMENDATION:**

The Department recommends that the Commission authorize the execution of a 30-year airspace lease with ETMA.

### **SUBJECT PROPERTY:**

The subject Freeway Lease Area (FLA), 04-ALA-580-34, is an approximately 117,195 square foot (s.f.), undeveloped, and irregularly-shaped parcel located under, and adjacent to, the elevated portion of Interstate 580, in the City of Oakland, slightly east of the MacArthur Maze. The FLA is situated between Mandela Parkway and Hannah Street. Access to the FLA is only from Ettie Street; see location mapping attached (Exhibit A). Currently, the FLA is being temporarily leased for vehicle parking and dumpster storage for a nominal rent of \$500 per month. Due to the configuration of the FLA, including the location of columns (depicted as the rectangles on page 1B of Exhibit A), this FLA has historically proved to be very difficult to lease at a rate above a nominal \$500 per month.

*“Provide a safe, sustainable, integrated and efficient transportation system  
to enhance California’s economy and livability”*

**BACKGROUND:**

ETMA is a non-profit organization that operates the Emery Go-Round public transit program in conjunction with the City of Emeryville. The primary purpose of ETMA is to increase access and mobility to, from, and within Emeryville while alleviating traffic congestion through local streets. A request to negotiate a long-term lease was approved at the December 2018 Commission meeting. ETMA is now seeking a 30-year lease term at the Department's appraised rental rate of \$14,325 per month.

**ETMA SITE PROPOSAL:**

Improvements and Use

ETMA will use this FLA to support their transit operations by developing bus parking and employee parking. ETMA will spend \$2,500,000 to grade, pave, stripe, fence, and install lighting, landscaping, and drainage to improve approximately 95,510 s.f. of the gross FLA. Additionally, to avoid congestion in the adjoining residential neighborhood, two new larger driveways and a left-turn pocket will be constructed from the Mandela Parkway main thoroughfare and the Ettie Street access will remain closed.

Plans and environmental documents have been reviewed and approved by the Department, State Fire Marshal, and Federal Highway Administration for compliance with all Federal, State and Local regulations, statutes, and codes.

Lease Terms

Term: 30 years

Monthly Rental Rate: \$14,325 per month

Rent Escalation: 3% per year beginning in the third year of the lease

Rent Reevaluation: Beginning year 11 and every 5 years thereafter

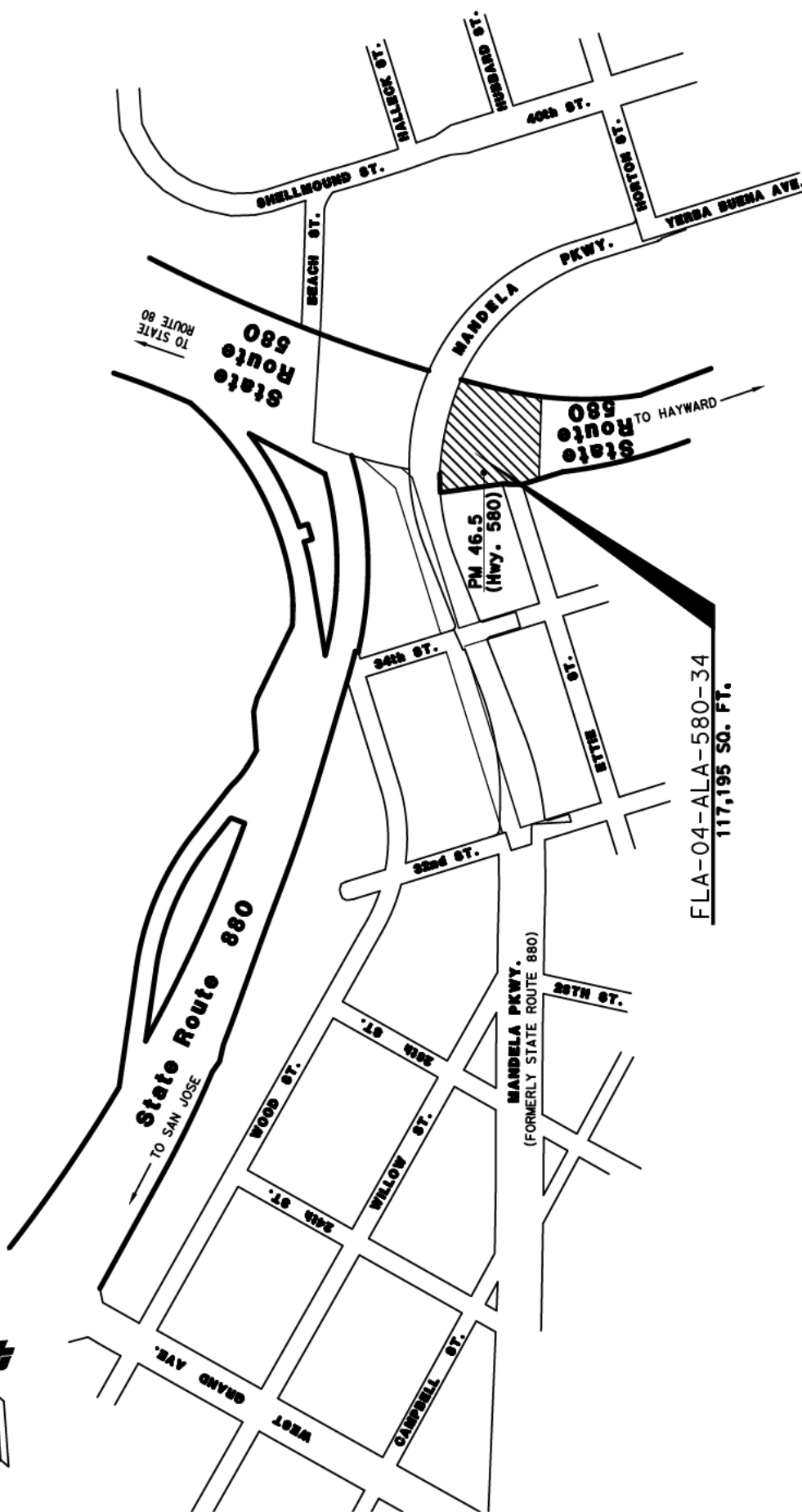
**SUMMARY:**

It is in the State's best interest to authorize the execution of a 30-year airspace lease with ETMA. ETMA is seeking a 30-year airspace to amortize the \$2,500,000 of improvements that they are spending to develop this FLA. This airspace lease will provide long term benefits to the State by: (1) generating increased revenue to the State due to the higher lease rate; (2) increasing public safety and site utility due to the construction of site improvements; (3) reducing costs expended by the Department as a result of the elimination of trash cleanups, graffiti abatement, and repairs to fencing and gates, which will increase the beauty and safety of the neighborhood and community; (4) creating two new access points which will reduce neighborhood traffic noise; and (5) improving the economy and livability in the State, specifically in the Cities of Emeryville and Oakland, with this public transit use.

Attachments: Exhibit A – 1A-1B Right of Way Freeway Lease Agreement Maps  
No. 04-.ALA-580-34.

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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.

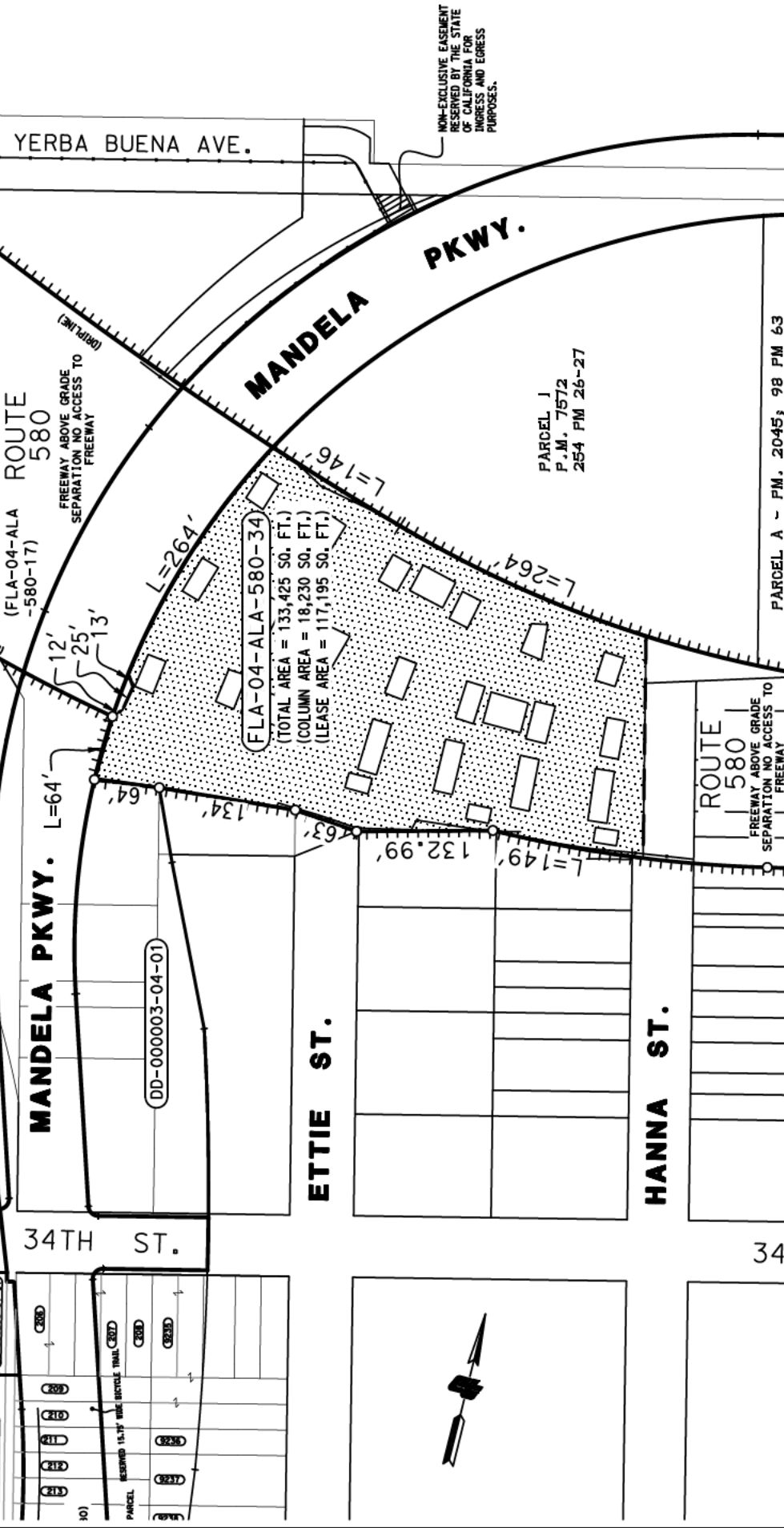


FLA-04-ALA-580-34  
117,195 SQ. FT.

<p>NOTES</p> <p>Coordinates and bearings are on CCS 1927 Zone 3. Distances and stationing are grid distances. Divide by 1.0000720 to obtain ground distances. All distances are in feet unless otherwise noted.</p>	<p>LEGEND</p> <p>○ DIMENSION POINT          — ACCESS PROHIBITED          (T) TOTAL          (R) RADIAL BEARING          S.F. SQUARE FEET          DOC. NO. DOCUMENT NUMBER</p>		<p>STATE OF CALIFORNIA          CALIFORNIA STATE TRANSPORTATION AGENCY          DEPARTMENT OF TRANSPORTATION  <b>RIGHT OF WAY</b>          FREEWAY LEASE AGREEMENT          FLA-04-ALA-580-34          SCALE: 1" = 150'</p>				
	<p>DRAFTED BY JVB</p>	<p>DATE 06-18-2019</p>	<p>DISTRICT 4</p>	<p>COUNTY ALA</p>	<p>ROUTE 580</p>	<p>SHEET PM 46.5</p>	<p>SHEET NO. 1</p>

R-4.5,6,7,8  
R-7.20

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STATE OF CALIFORNIA  
 CALIFORNIA STATE TRANSPORTATION AGENCY  
 DEPARTMENT OF TRANSPORTATION  
**RIGHT OF WAY**  
**FREEMWAY LEASE AGREEMENT**  
**FLA-04-ALA-580-34**

SCALE: 1" = 150'

FEET 0 75 150 300

**LEGEND**

- DIMENSION POINT
- ACCESS PROHIBITED
- (T) TOTAL
- (R) RADIAL BEARING
- S.F. SQUARE FEET
- DOC. NO. DOCUMENT NUMBER
- L CURVE LENGTH

**NOTES**

Coordinates and bearings are on CCS 1927 Zone 3. Distances and stationing are grid distances. Divide by 1.0000720 to obtain ground distances. All distances are in feet unless otherwise noted.

DRAFTED BY	DATE	DISTRICT	COUNTY	ROUTE	SHEET NO.	TOTAL SHEETS
JVB	06-18-2019	04	ALA	580	46.5	2

R-4,5,6,7,8  
 R-7,20