

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 3.16, Information Item

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Division of Right of Way and Land Surveys

Subject: **FISCAL YEAR 2025-26 – SECOND QUARTER – AIRSPACE PROGRAM REPORT**

SUMMARY:

In accordance with Resolution G-25-14, adopted by the California Transportation Commission (Commission) in January 2025, the California Department of Transportation (Department) will present its Airspace Program Quarterly Report for the second quarter of Fiscal Year 2025-26, covering the period from October 1, 2025, to December 31, 2025. This will be an informational item at the Commission's meeting on May 14-15, 2026.

BACKGROUND:

Resolution G-25-14 (Procedure for Leasing Airspace to Private Entities) and Resolution G-25-24 (Procedures for Leasing Airspace to Public Entities) require the Department to report to the Commission on its progress towards ensuring compliance as it relates to airspace leases, the Department's guidelines and procedures, and all applicable State/Federal laws and regulations. Compliance with the aforementioned items requires that the Department enforce airspace lease terms, conduct regular inspections, and promptly take the necessary administrative and legal actions to safeguard the transportation system.

Furthermore, under Resolution G-25-14, the Department will report to the Commission each quarter with details on the status of each airspace site, any instances of identified unauthorized right-of-way encroachments, and efforts undertaken for management and monitoring to ensure compliance. The report will highlight any safety risks or violations discovered during inspections, safety incidents, and actionable plans to promptly address any issues. Additionally, the quarterly report will provide an overview of the Department's efforts in providing the necessary guidance and training to ensure proper execution of airspace leases, promptly addressing identified safety risks and violations, and managing and monitoring airspace sites.

Attachment



**Department of Transportation
Airspace Program
Quarterly Report**

**Fiscal Year (FY) 2025-26
Second Quarter
(Reporting Period Ending December 31, 2025)**

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Department of Transportation Airspace Program Report FY 2025-26, Second Quarter

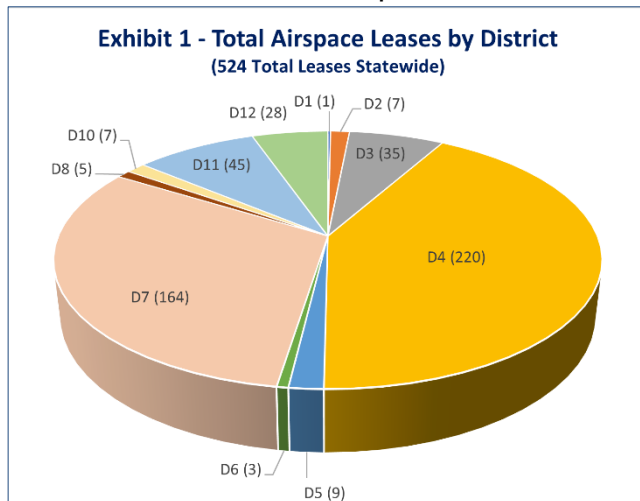
1 Executive Summary

The Department of Transportation (Department) managed 524 airspace sites throughout the state, which are properties within operating right of way that support a secondary use without undue interference to highway operations. The Department is committed to upholding public safety and safeguarding the traveling public through effective and efficient management of its airspace program. To this end, the Department is providing the Commission with a report on the status and progress of statewide airspace sites, including the status of policy changes to the program.

The sections to follow provide inspection status and actions the Department has taken to address lease violations, safety risks, and other continued efforts to improve the airspace program. A separate detailed report of each airspace lease site has been provided to the Commission Staff.

2 Statewide Airspace Leases

In FY 2025-26, during the second quarter reporting period ending December 31, 2025, the Department managed a total of 524 airspace leases across 11 districts (Exhibit 1), down from 532 in the first quarter. Ten leases were vacated during the reporting period.



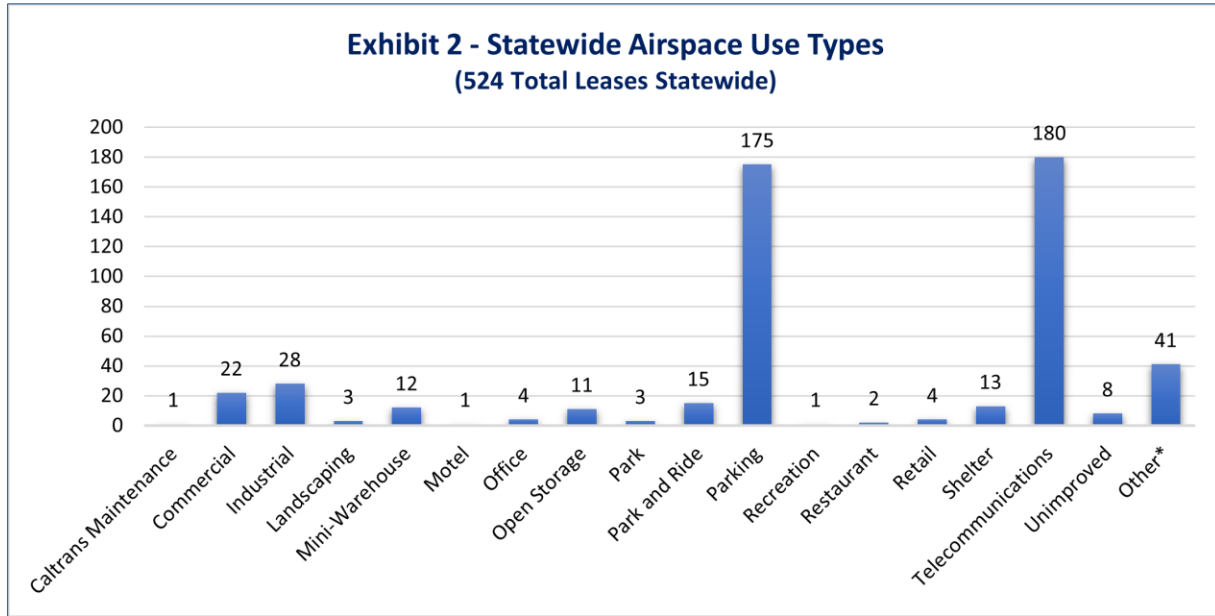
Note: There were no leases in District 9 during this reporting period.

One wireless site was created or moved to a new tenancy number, and one new six-month lease was initiated.

2.1 Types of Airspace Uses

In this reporting period, the Department leased 67% of its airspace sites for parking and telecommunications combined.

Other uses and the number of sites leased for each use are illustrated in Exhibit 2. Please refer to Table 1 for various use types by district.



* Other uses may include tower crane weathering, construction tie backs, temporary landscaping, public agency use of right of way, etc.

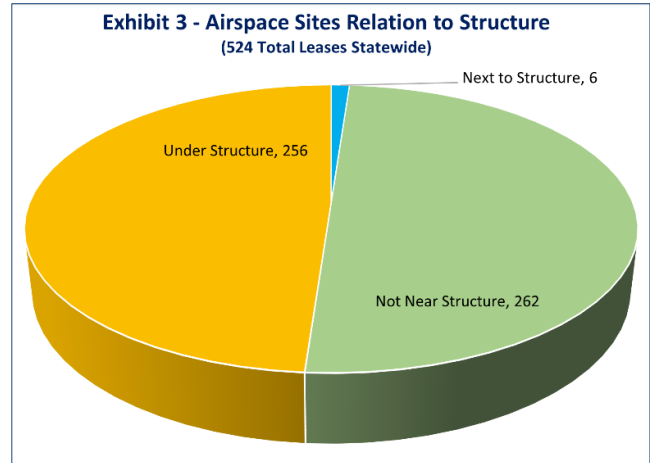
Table 1 - Airspace Use Types by District

District	Route(s)	Caltrans Maintenance	Commercial	Industrial	Landscaping	Mini-Warehouse	Motel	Office	Open Storage	Park	Park & Ride	Parking	Recreation	Restaurant	Retail	Shelter	Telecom	Unimproved	Other	Total
D1	255																		1	1
D2	5, 36, 299	1															3		3	7
D3	Various											22			1	1	5	3	3	35
D4	Various		19	2	1	1			4	1	1	88				7	76	1	19	220
D5	17, 101, 154																9			9
D6	41, 180									2		1								3
D7	Various		3	26	1	8	1		6		3	46				1	58	4	7	164
D8	Various																2		3	5
D9	None																			0
D10	4, 5							1				2				2			2	7
D11	Various				1	3		3	1		11	12		2	2	2	6		2	45
D12	Various											4	1		1		21		1	28
Total		1	22	28	3	12	1	4	11	3	15	175	1	2	4	13	180	8	41	524

2.2 Airspace Site in Relation to Structure

The Department has approximately 48% of the total leased airspace sites located under the state highway structures, and 50% are not near a structure (Exhibit 3).

The Department management of airspace sites is directed by *Chapter 15 – Airspace*, of the Right of Way Manual. The Department continues to closely coordinate with its Legal Division, ensure close communication with the tenants near structures, and may exercise the option to cancel leases, if necessary.



2.3 Open Storage

The Department has continued to reduce the open storage inventory. Two open storage sites discontinued their use and are now classified as parking leases. One open storage site vacated during the reporting period. The total number of open storage sites now stands at 11, down from 14 in quarter one.

2.4 Status of Lease Agreements and Auctions

As of December 31, 2025, 128 leases have expired and are in holdover¹, which represented approximately 24% of the total leases. This was a decrease of five expired leases from the first quarter reporting of 133 expired leases. It should be noted that telecommunication sites are excluded from this count as their leases have options to renew, and the expiration dates on record do not reflect these available options.

Determining which leases may be cancelled may take an additional 9-12 months for legal review and the unlawful detainer² process. The remaining sites with expired leases will be scheduled for public auction or presented to the CTC for approval of direct negotiations in an upcoming CTC meeting. The original goal was to be in compliance by January 31, 2026, however, finalization of policy approvals is taking longer than expected. Meanwhile, expired leases will remain in holdover until compliance is achieved within the next calendar year.

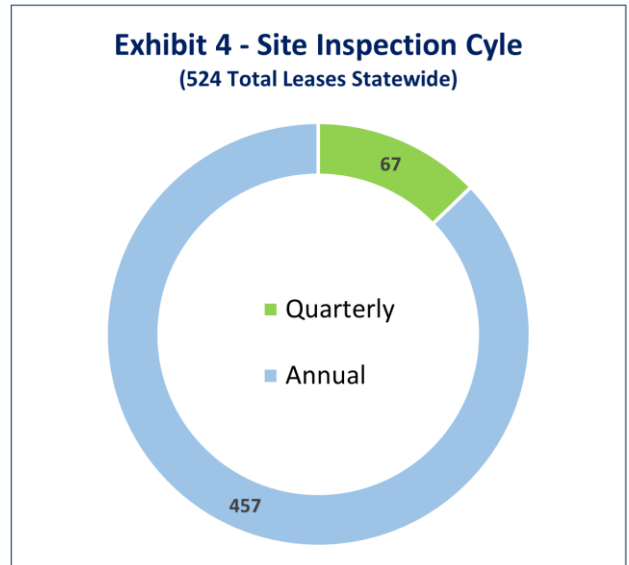
District 4 conducted a bid auction on December 3, 2025 and auctioned 28 sites, 17 of which had successful bids and are expected to result in new leases. Thirteen of those 17 are active sites, while four are currently vacant airspace sites. Eleven sites from the December auction will be re-auctioned along with 17 additional sites from the inventory in Q4 of FY 2025-2026.

¹ Holdover is when the lease has expired and the Department continues to accept rent payment from the tenant. The lease is still valid but is on a month-to-month basis.

² An Unlawful Detainer, commonly called an eviction, is a court action used when the tenant will not peaceably vacate a property.

3 Airspace Site Inspections

Headquarters Right of Way and Land Surveys (HQ RWLS) is responsible for developing policies and procedures, providing oversight of the airspace program and guidance to the districts for site inspections of airspace properties, and overseeing other site management activities. Each district airspace office is responsible for the compliance of leased airspace sites within its area. This includes conducting routine inspections of the sites, whereby developed leased sites (with structures) are inspected at least quarterly and non-developed leased sites (parking lots, wireless locations, parks, etc.) are inspected at least annually. Site inspections are conducted by both district staff and the State Fire Marshal (SFM), a program within the Department of Forestry and Fire Protection (CAL FIRE). District staff conduct quarterly or annual inspections for general lease violations, hazards, and unauthorized uses. The SFM conducts site inspections per their authority according to their inspection schedule, when requested by the Department, or if potential fire code violations or fire hazards are identified by the district staff.



During the reporting period, 67 sites (13%) were designated as quarterly inspection. The remaining 457 sites (87%) were designated as annual inspection (Exhibit 4). The designation of the inspection cycle may change in response to changes in site use and policies, and the Department will continue to address these changes on an ongoing basis.

3.1 Site Inspection Status & Plan

The Department completed 104 site inspections during the reporting period.

As of December 31, 2025 there were 108 sites overdue for inspection, of which 29 were quarterly inspection sites.

In the next quarter (FY 2025-26 Q3), the Department plans to conduct 254 inspections which include 79 overdue annual inspections, 108 new annual inspections, and all 67 quarterly inspections. The Department remains committed to bringing all overdue inspections into compliance immediately and will continue to coordinate with districts on timely inspections to reduce the number of overdue site inspections to zero. Furthermore, the Department will continue to reassess the inspection schedules to establish a more balanced inspection plan for each quarter in the next fiscal year.

3.2 Inspection Findings & Enforcement Actions

Of the 104 site inspections conducted by district staff during the reporting period, 103 (99%) passed district inspection. The site that failed was due to issues that will be addressed under its failed State Fire Marshal report. The two sites that failed initial inspections in Q1 had minor violations, such as trash accumulation and have been corrected.

As of December 31, 2025, the Department also had 39 leased sites with outstanding failed inspections by the SFM, an increase from 38 sites reported in the first quarter. Two sites passed reinspection during the reporting period, and three additional sites failed. The failed SFM inspections were due to various reasons, which included fire protection and life safety issues, permitting issues, electrical issues, combustibles, etc. Enforcement actions have been initiated on the 39 sites, summarized as follows:

- 22 sites have initiated corrective actions or are in the process of taking corrective actions. These sites will be re-inspected within 90 days from the date of notice. Failed re-inspections will result in the cancellation of leases.
- 14 sites have been issued a notice to correct and have made progress to correct violations, though some issues may be uncorrectable; see additional information below.
- 3 sites have ongoing inspections due to multiple buildings.

Many of the issues noted in the failed SFM reports are the result of permitting issues that are uncorrectable or cost-prohibitive for the tenant. These sites have active leases; therefore, the Department must address these issues through a multidisciplinary review committee and request funding to remove the improvements if corrections are unachievable.

4 Program Enhancement Measures

The Department has taken significant measures to enhance the management and oversight of the Airspace Program, which includes the following:

1. **Statewide Training:** HQ RWLS conducted training for District Airspace agents on the Right of Way Management Information System (ROWMIS), the system of record for Airspace leases. This training covered accessing the system, recording inspections, uploading inspection documents, and creating new tenancies.
2. **Manual Rewrite:** Chapter 15 of the Right of Way Manual was significantly revised to incorporate changes to Airspace policy. This will make it easier for District staff to review and incorporate the new rules into their duties. The manual was published in January 2026.
3. **District Airspace Reviews:** Headquarters staff concluded in-person Airspace site

reviews in the Districts, meeting with Districts 3, 6, 7, and 8 during the second quarter.

4. **Action Plans:** The Department is aggressively inspecting all properties to ensure compliance with lease terms and conditions. Violations are being addressed through written notices to comply; some notices to terminate agreements are pending. HQ RWLS convenes a statewide weekly hot topics meeting to review changes in the airspace leasing program and address district challenges.

A monthly meeting is also held with the State Fire Marshal and HQ RWLS to identify where increased oversight is required.