

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: May 14-15, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(2), Action Item

Prepared By: René Fletcher, Chief
Division of Right of Way and Land Surveys

Subject: **AIRSPACE LEASE FOR CONSTRUCTION TOWER CRANE- REQUEST FOR CONSENT TO DIRECTLY NEGOTIATE WITH CRESCENT HEIGHTS, LLC.**

ISSUE:

Should the California Transportation Commission (Commission) approve a request by the California Department of Transportation (Department) to directly negotiate a tower crane airspace lease agreement with Crescent Heights, LLC., in San Francisco County?

RECOMMENDATION:

The Department recommends that the Commission approve a request to directly negotiate a tower crane airspace lease with Crescent Heights, LLC., in San Francisco County.

BACKGROUND:

The 10 South Van Ness Avenue project is a major mixed-use residential development located at the intersection of Market Street and South Van Ness Avenue. The 800-foot tower will be the fourth-tallest building in San Francisco and will include 849 residential units along with 2 underground levels for parking and building services. Construction is expected to commence in Quarter 1 of 2027 with an estimated 48-month duration to completion.

The project will require the erection of a large tower crane within the adjoining private property with a 243-foot jib that will rotate over State Route 101 South Van Ness Avenue. For this size development, there is no other feasible alternative crane placement that would avoid encroachment. The tower crane is expected to remain in place for approximately 26 months, and the Department will collect \$500 per month, representing Fair Market Value during its encroachment through the Department airspace lease.

BENEFIT:

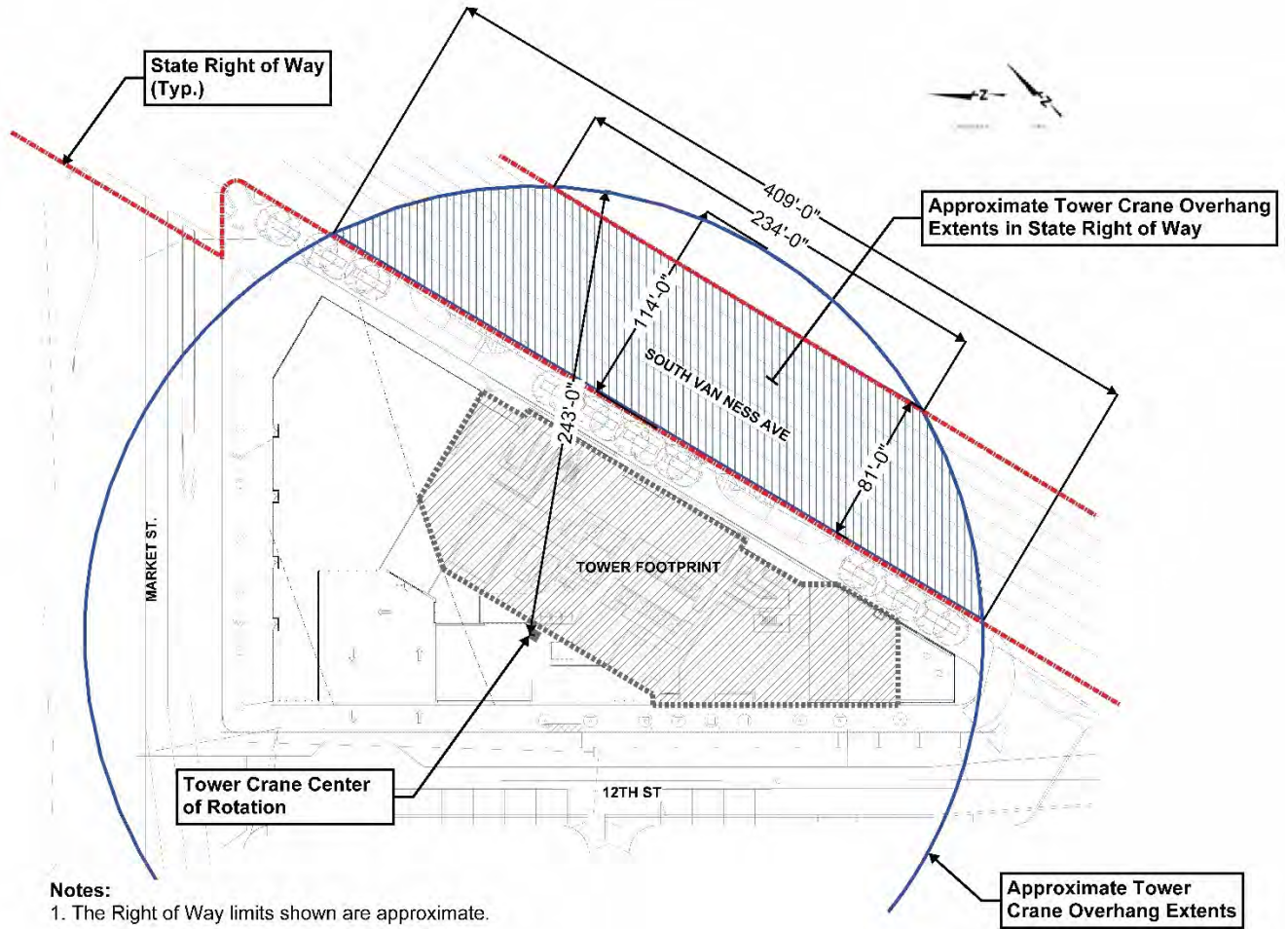
An airspace lease to accommodate a tower crane encroaching within the Department right of way airspace supporting an adjoining large-scale development cannot be publicly auctioned since there is no competitive use of the airspace, so it must be directly negotiated. Accommodating the tower crane encroachment enables the construction of over 800 residential units, which advances the State's housing policies that seek to substantially increase housing supply to address the severe housing shortage through the Regional Housing Needs Allocation process and other state initiatives.

Attachments:

Exhibit A – Tower Crane Encroachment Radius Plan Sheet

Exhibit B – Tower Crane Encroachment Radius Aerial Image

Tower Crane Encroachment Radius Plan Sheet



Tower Crane Encroachment Radius Aerial Image

