

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(6), Action Item

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

Subject: **AIRSPACE LEASE – REQUEST FOR CONSENT TO DIRECTLY NEGOTIATE
WITH PEARSON ELECTRONICS, IN SANTA CLARA COUNTY**

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 Pearson Electronics, in Santa Clara County?

RECOMMENDATION:

The Department recommends that the Commission approve a request to directly negotiate a long-term lease with Pearson Electronics, located in Santa Clara County.

BACKGROUND:

Pearson Electronics currently operates a business in an industrial complex for the manufacture of precision current-monitoring transformers adjacent to United States Highway 101 right of way in the City of Palo Alto. Although Pearson Electronics' property does have some parking available, the prior owner of the building had leased the adjoining site for additional parking from the Department since September 1, 2023. The lease area is rectangularly shaped.

The site is landlocked, with no public access from Transport Street. It serves no functional purpose for anyone other than the adjacent owner, and no other neighboring properties have access. As a result, the site is only useful to the adjoining property owner or prospective tenant who is using it for parking.

BENEFITS:

It is in the State's interest to lease this airspace site through direct negotiation because the site is only accessible and usable by the proposed/current lessee.

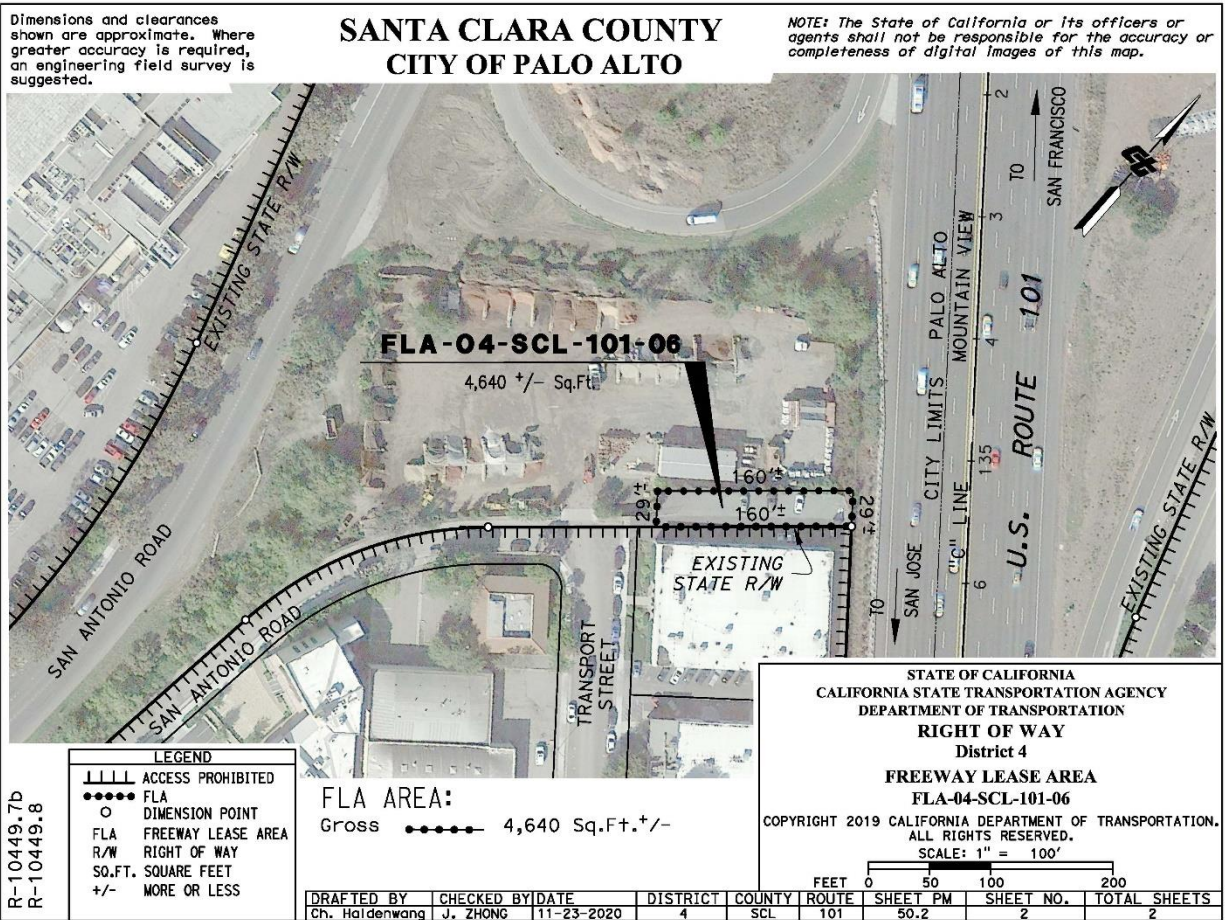
Leasing this site to the proposed/current lessee relieves the Department of maintenance problems and does not detract from the safety and aesthetics of the Department's right of way. The negotiated rental rate will be at fair market rent.

Attachments

Exhibit A – Freeway Lease Area Map Overlay

Exhibit B – Street View Image of Parking Area

Freeway Lease Area Map Overlay



R-10449.7b
R-10449.8

Street View Image of Parking Area

