

## MEMORANDUM

To: CHAIR AND COMMISSIONERS  
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(8), 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 RAIN CYCLE, INC., IN SAN MATEO 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 Rain Cycle, Inc., in San Mateo County?

### **RECOMMENDATION:**

The Department recommends that the Commission approve a request to directly negotiate a long-term lease with Rain Cycle, Inc., located in San Mateo County.

### **BACKGROUND:**

Rain Cycle, Inc. operates a recreational vehicle (RV) and boat storage facility adjacent to the State Route 92 right of way in Foster City on a landlocked property purchased from the Department in the 1970's. The City of Foster City has historically denied Rain Cycle, Inc.'s requests to establish an access driveway from adjoining Chess Drive due to safety concerns. As a result, vehicular access was established in 1977 via a long-term airspace lease through the adjoining Freeway Lease Area (FLA), which also provided additional vehicle and boat parking for the business. However, due to leasing policy revisions, the Department no longer permits storage within FLAs, so the RV and boat storage use is being eliminated, leaving vehicular access as the only permissible use. To reflect the limited access only use, the FLA has been revised to include only the driveway area that bisects the right of way.

In addition to the Rain Cycle, Inc. owned property being landlocked, the FLA is also landlocked. Neighboring Chess Drive is the nearest public street, but it does not abut the FLA. Rain Cycle, Inc. has acquired and recorded an easement to travel over the adjacent private

property (an office building parking lot) to access the FLA. Since there is no public access, the FLA provides no utility to any party other than Rain Cycle, Inc.

**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 lessee.

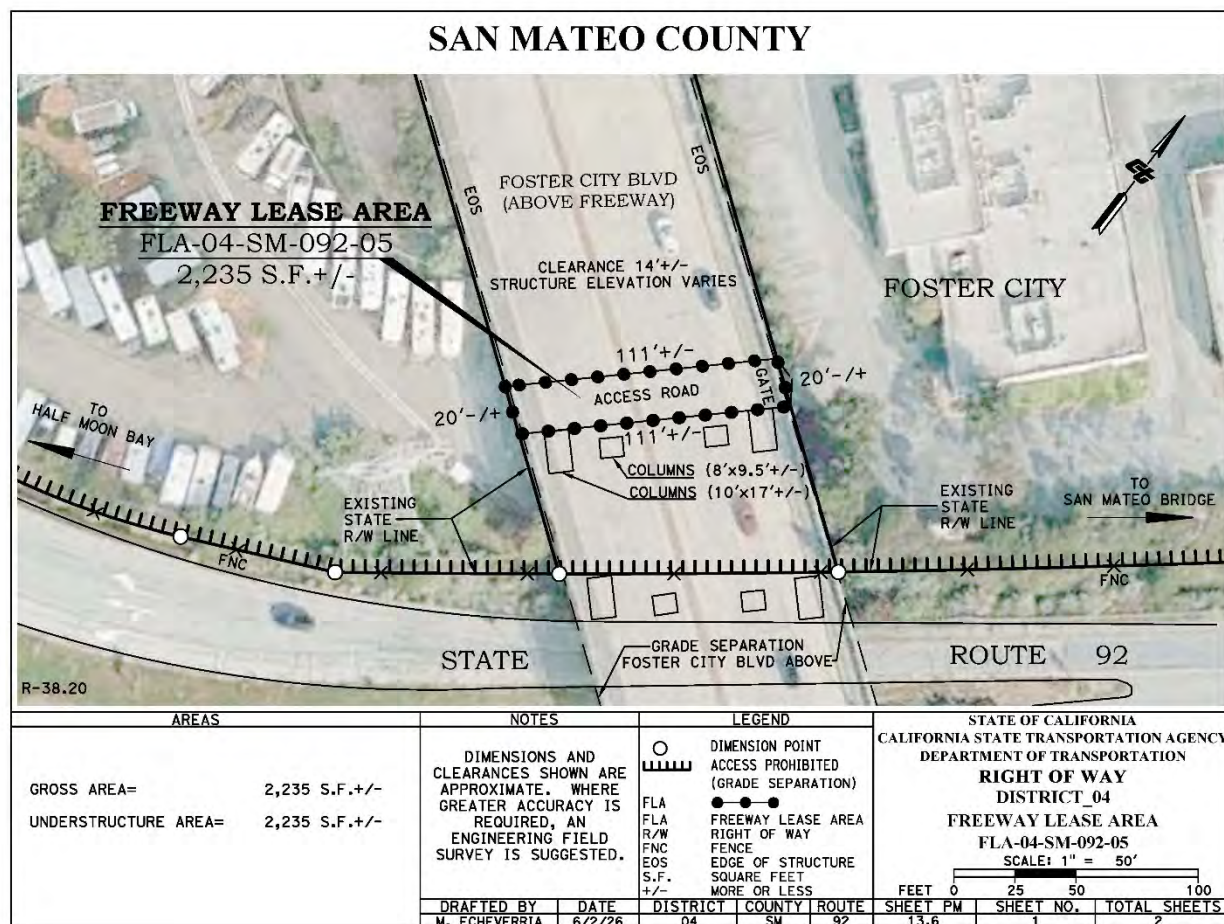
Leasing this site to the proposed/current lessee relieves the Department of maintenance problems and does not detract from the safety and aesthetics of the Department's right of way. The negotiated rental rate will be at fair market rent.

Attachments

Exhibit A – Freeway Lease Area Map Overlay

Exhibit B – Street View Image of Parking Area

## Freeway Lease Area Map Overlay



Street View Image of Parking Area

