

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 20-21, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.4c.(9), 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 BBCK ENTERPRISES, DBA K&L WINES, IN SAN FRANCISCO 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 BBCK Enterprises, DBA K&L Wines, in San Francisco County?

RECOMMENDATION:

The Department recommends that the Commission approve a request to directly negotiate a long-term lease with BBCK Enterprises, DBA K&L Wines, located in San Francisco County.

BACKGROUND:

BBCK Enterprises, DBA K&L Wines currently operates a retail and wholesale wine, spirits, and beer business adjacent to the Interstate 80 right of way in the City of San Francisco. The BBCK Enterprises, DBA K&L Wines privately owned property includes a parking lot; however, BBCK Enterprises, DBA K&L Wines has leased the adjoining landlocked Freeway Lease Area (FLA) 04-SF-080-31 from the Department for additional parking since February 1, 2015.

The FLA is landlocked because there is no public vehicle access from the adjoining Harrison Street. The FLA provides no utility to any other party aside from the adjoining owner, and there are no other adjoining owners with access to the FLA.

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.

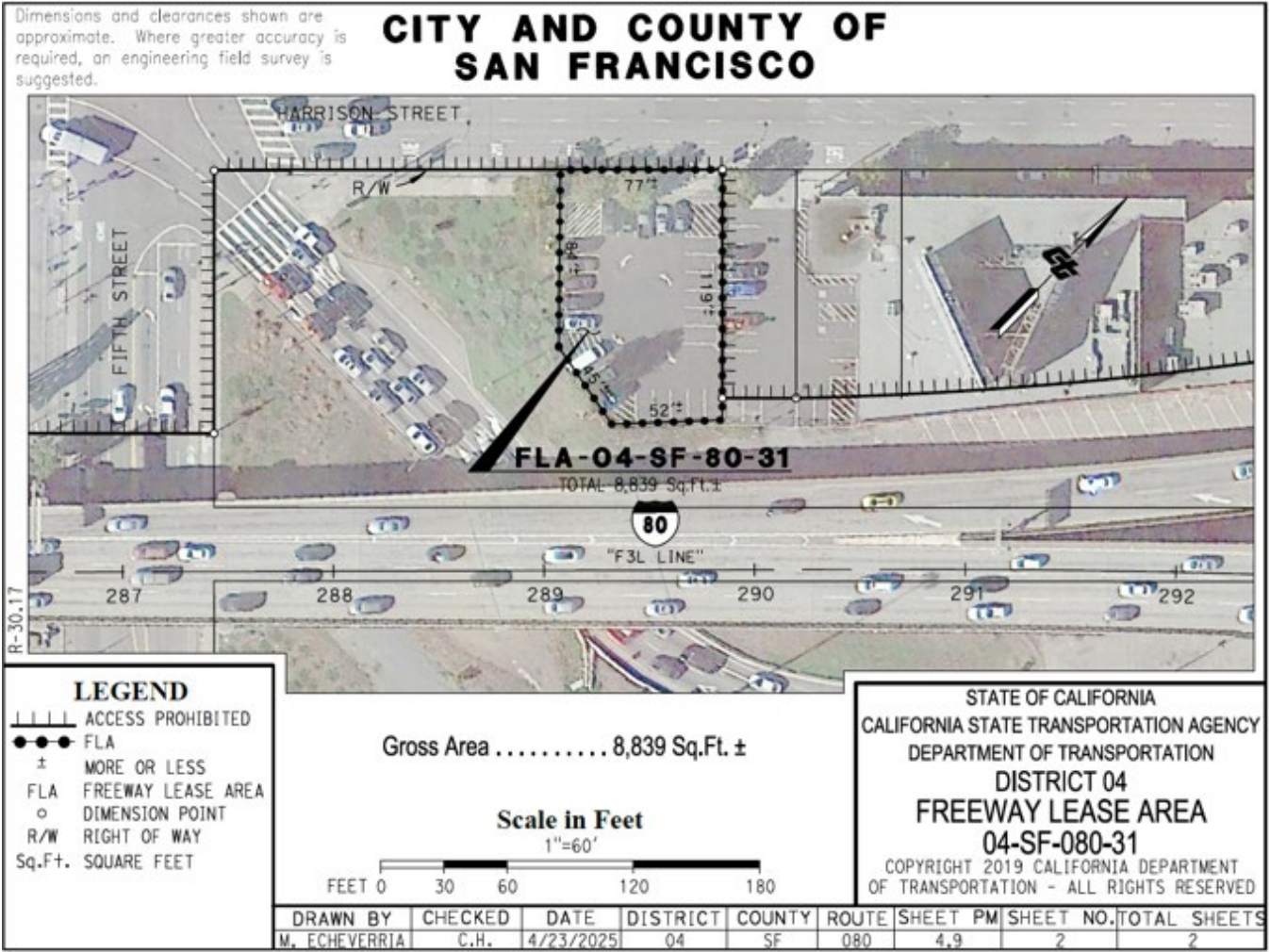
Leasing this site to the proposed/current lessee relieves the Department of maintenance problems and does not detract from the safety and aesthetics of the Department's right of way. The negotiated rental rate will be at fair market rent.

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

