

CALIFORNIA TRANSPORTATION COMMISSION AIRSPACE ADVISORY COMMITTEE MEETING

Thursday, April 18, 2002
10:00 a.m. - 12:00 p.m.

Oakland International Airport
Esther Love Conference Room, Terminal 1

MINUTES

The meeting of the California Transportation Commission's Airspace Advisory Committee was called to order at 10:23 a.m. on April 18, 2002, in the Esther Love Conference room in Tower 1 of the Oakland International Airport.

Those in attendance were as follows:

Committee Members: N. Gruen - Chair, B. Hauf - Vice Chair, W. Grieg, J. Nagle, R. Payne, G. Moss, M. Ross, W. Mosher, P. Inman (Irvine)

Commissioner: A. Lawrence

Commission Staff: K. Jacobs

Caltrans Staff: S. Atkins, P. Schultze, B. Wilson, S. Ikeda, Shirley Parker (D4), Bob Bachtold (D4), Bill Curran (D11)

Guests: Susan Lawrence, Ruth Moss, Pat Clay, Todd Walker

Those absent: John Glassmoyer

The meeting adjourned at 12:25 p.m.

Proceedings:

Item 1. Introductions/Committee Business

Each person introduced himself or herself and provided brief background information.

Item 2. Approval of January 2002 Minutes

The minutes were presented for approval.

Kathie Jacobs noted several typos to be corrected, as well as two other items, as follows: Page 2 - Action, should read - Done, dates have been confirmed; Page 10 - Action, should read - Done, Kathie Jacobs met with Scott Atkins and Peter Schultze. The Department determined that the short-term lease is at fair market value.

Vice Chair Bill Hauf moved to approve the minutes with the revisions. Committee member Peter Inman seconded the motion, which carried 9-0 (John Glassmoyer was absent).

Commissioner Lawrence requested the issue of the Action Item regarding the fair market value for the SacRT parcel be added to the agenda. SacRT Fair Market Value was added to the agenda as Item 8.

Item 3. 2002-2003 Business Plans - Airspace and Excess Lands

Prior to the meeting Kathie Jacobs passed out a comparison chart for FY 2001-2002 Business Plan and FY 2002-2003 Business Plan.

Scott Atkins presented the Airspace Business Plan and said that Steve Ikeda would present the Excess Lands Business Plan.

A question was asked regarding the third bullet under 2002/03 Strategies, whether security procedures for airspace would be any different than any other state owned land? Scott replied that only in that if there's a tenant. The Department is reviewing its leasing plan and procedures to see if they can be enhanced to include the security issue.

Walt Mosher agreed with Scott. There are a lot of storage facilities located under the freeway system and they could be a problem.

Commissioner Lawrence mentioned the Hollywood freeway and the Vermont storage facility. He suggested that the Department coordinate with George Vincent in the Governor's Office. George is currently looking into security issues.

Rozlyn Payne suggested that the Department review its current leases for those facilities located under structures and perhaps amend the lease to include operational procedures allowing the Department access.

Peter Schultze said that mini storage facilities have been problematic but that the Department does have the ability to go to the manager of the facility and get into any storage space. The Department has recently exercised that right and did gain access to a space but they're not proposing to go into any others at this time.

Scott Atkins mentioned that the Department might have to program funds to buy out leases, if it became necessary to terminate a long-term lease.

Bruce Wilson reminded the Committee that it hasn't approved a storage facility in a long time.

Scott discussed that the Department as a whole is looking at the issue of security. Peter Schultze said that Caltrans, the CA Highway Patrol, and the State Fire Marshal are all part of a team looking into the issue.

Nina Gruen asked what the difference would be if a vehicle pulled up under a structure with a bomb or having a bomb in storage?

Peter Schultze said that District 11 received a call recently with a security concern in a storage facility and the Department called the Fire Marshal and had the units in question inspected within 24-hours.

Commissioner Lawrence said that counties and cities might need to change ordinances and not allow parking under a structure. Don't allow stopping or parking.

George Moss asked if the Department of Transportation maintains any security force? Scott Atkins answered that September 11th is what brought this about, and that the Department is reviewing security issues statewide.

Walt Mosher asked what the cost would be to buy out the leases? Scott Atkins answered that would take an analysis of each lease. Scott maintained that having a tenant could provide additional security on an Airspace site verses a vacant site.

Wylie Greig asked how long it would take to find out what the cost would be and could a study be done? Scott replied that they would have to take a look at the leases. Scott reminded the Committee that the Department is following a broader program; it's being strategic but is looking at how to deal with this issue. The airspace is a small component in the big scheme of things.

Commissioner Lawrence suggested that Scott's group seek council of former commissioner Robert Abernethy, as he's familiar with the storage issue.

Steve Ikeda then presented the Excess Lands Business Plan and commented that the Committee had asked for more specific goals. This year, the Department expects to dispose of 510 parcels of surplus property. Also, he noted that SB 484, sponsored by Senator Vincent, may become an issue in the coming year. Senator Vincent presented the bill and the last Steve heard it was inactive. Normally, this type of item wouldn't fall under the normal AAC review criteria, but this proposed property transfer is a highly political issue. Senator Vincent's bill would allow the City of Lynwood to take the parcel at no cost. The properties are valued at approximately \$600,000. Right of Way is opposed to the bill and it doesn't appear that the Senator is pushing it; however, there are lobbyist pushing for its approval. This discussion is more of a heads-up than anything, in the event that the bill becomes active again.

Walt Mosher asked, why the Department is opposing the bill, does it need the land? Steve replied that the assertions with respect to the city's benefit from the Century Freeway are not true, and they are claiming that promises were made but not kept. Right of Way feels it would be an irresponsible use of state assets to convey the land at no cost because it would open it up for every other city out there to do the same thing.

Walt Mosher commented that excess land today might not be excess tomorrow, then asked what is the probability that the Department would need the land in the future? Steve told the Committee that the Department works with a long-range planning group to determine excess land and this site is not a problem.

George Moss reminded the Committee that its mandate is to return the best value and they don't want to be setting precedence.

Bill Hauf asked what the City plans for the site? Steve said that the City is also interested in an adjacent airspace parcel and that it plans to build a "Port of California", a flea market type setting under the freeway with an international bazaar. Bill Hauf commented that we were just talking about security and boy wouldn't something like that be unsafe!

Wylie Greig said that the issue and reasons appear to be clear and that's the purpose of the legislation.

Commissioner Lawrence asked if SB 484 was on Chuck Oldham's radar? Kathie Jacobs commented that she's not familiar with the bill and doubts that Chuck has taken a look at it but that she'll take it back to him. Commissioner Lawrence would like to see a summary with Chuck's advice, where it's at with the Committee and what are the chances of it going forward and when?

George Moss asked if the discussion regarding SB 484 could be put on the Committees next agenda? Bill Hauf asked if there was any way to determine whether it'd be moving through committees and get approval before the next AAC meeting?

Roslyn Payne said that she wants to see the language and the information requested by Commissioner Lawrence. Not word of mouth regardless of whose bill it is. Commissioner Lawrence would like the Department to review the parcel and state why this specific parcel doesn't make sense.

Nina Gruen directed Kathie Jacobs to send a copy of the bill, the summary and a status to each of the committee members. Roslyn said that'd be fine as long as there's someone standing behind it.

Nina then mentioned that she's still concerned that there are not any criteria for public benefit in regards to airspace and mass transit. The Department will have to do a social cost benefit analysis. Pete Inman suggested that perhaps decisions shouldn't be made on a case-by-case basis. Nina went on to say that for instance, low income housing in a not so good area, transit facility in a not so good area and they build homes but no one will use the facility because it's still in a not so good area.

Bill Hauf reiterated the Committee's mandate is at maximum revenue. Restating issues that come up is good when discussing individual parcels. Each applicant can come in and say why it's a good idea. Roslyn Payne said that having policy is critical; the AAC is called upon at each meeting to look at specifics. In the case of SB 484, if it's useful to

Steve to have a comment as long as it's legitimate and follows a process. So far, she hasn't seen a good measurement tool.

Wylie Greig suggested that the AAC take a look at what language exists; it may be helpful at taking a run at top-level specifics. Do we take less than fair market for all things that might be good or be more specific?

ACTION: Kathie Jacobs, send bill SB 484 along with a summary and information on the timing of it moving through committees to all AAC members.

Item 4. Directly Negotiated Leases With Private Entities

Scott Atkins discussed the item with a brief history of how we got to the point of a form. Roslyn Payne is okay with the form but she wants an authorized agent to determine that the information provided is accurate otherwise it would be grounds to cancel the agreement. She also suggested that there should be an area that asks if there are any outstanding judgements.

Item 5. City of El Cajon - Excess Land-Information Item

Steve Ikeda presented the item and gave brief background information. The property is zoned residential but the City wants to put in a Home Depot. Michael Ross mentioned that it takes Home Depot 9 acres not 6, as is available at this site.

Steve Ikeda said that the Department is no longer requesting to directly negotiate with the City but will be putting it out to bid starting at \$2.2 million.

Roslyn Payne asked if the Department knew what kind of interest was out there? Bill Curran said that it's pretty favorable right now.

George Moss asked if the zoning was consistent with the General Plan? Bill Curran answered yes.

Michael Ross said that most companies wouldn't close until they are assured of the zoning.

Roslyn Payne remarked that the market is pretty good right now. Bill Curran said; yes, quite high right now. Roslyn then said that normally companies would buy subject to the zoning but they'd probably go for it now.

Wylie Greig asked if an offer came higher could they ask that it be contingent upon the zoning? Bill Curran said that there's nothing on the form for contingencies; however, there is one provision that allows for an extension.

Roslyn Payne asked about buyers being able to show fiscal responsibility? Bill Curran discussed the amount each bidder had to put down just to start bidding and then the winner only has a certain number of days to put down a larger deposit.

Steve Ikeda reminded the Committee that the item was for an informational purpose only.

Item 6. Airspace Bi-Annual Report

Bruce Wilson presented the item noting the Programs successes.

George Moss asked about the drop in District 4? Bruce pointed out that this is a six-month look at the program.

Item 7. Wireless Licensing Program -- Five-Year Renewal

Bruce Wilson presented the item and reminded the AAC that the program only applies to freeway rights of way, expressways and other access-controlled highways. Conventional highways are not included. The Department is requesting that the AAC make a recommendation to the CTC to approve the Program for an additional five-years with a few changes.

Roslyn Payne said that the Department needs to flush out the "any legal and viable entity" a bit more, she doesn't like the way it seems to be worded. Bruce said that if an applicant were not licensed with the FCC, the Department would bring the request to the AAC for a recommendation. Bruce also mentioned that the Department really isn't sure who all will be interested in the Program. Roslyn was okay with the Department bringing non-FCC applicants in to the AAC for approval.

Discussion then centered around the matrix and allowing the Department to raise the annual license fee for prime urban locations up to 25%.

Bill Hauf asked the Department if they could make some inquires into why certain markets aren't being used, Los Angeles or San Diego for instance? Bruce said that he can look into it but it could be something as simple as the price of real estate may be higher and availability lower.

George Moss suggested that they could have a 3.5% minimum in cases of the CPI going up. Mike Ross agreed by suggesting that the amount be fixed at 3.5% cost of living depending on the CPI with up to a 5% cap.

Roslyn Payne moved to recommend to the CTC another five-year renewal of the wireless program with the following changes:

- (1) Open the program to any legal and viable entity that may wish to place a telecommunications facility within Department property subject to existing guidelines. Should a non-FCC applicant submit a request the request would first be brought to the AAC for a recommendation prior to approval.
- (2) The Department will complete a study of the market conditions within the next year throughout the state and has the latitude to make adjustments of

25% up or down with a minimum 3.5% annual increase not to exceed 5% of the CPI.

- (3) Change the pricing matrix to show annual CPI changes with a floor of 3.5% and a ceiling of 5%

Walt Mosher seconded the motion, which passed 9-0 (John Glassmoyer was absent).

Item 8. SacRT Less Than Market Value Determination

Commissioner Lawrence cited G-01-12, Leasing To Public Entities, Section 2.2 for mass transit requires final approval from the California Transportation Commission.

Peter Schultze responded that the fair market value for a short-term (2-year) lease was based on three factors: 1) the length of the lease and the fact that the Department anticipated that SacRT would be submitting a proposal to participate in the mass transit program; 2) that the SacRT appraiser valued the site at \$84,000 or \$7,000 per month; and 3) the Department put an adjacent parcel out to bid at \$5,000 per month and received no bidders -- hence the \$60,000.

Nina Gruen pointed out that the Department should get their own appraisers and not rely on an appraisal from the company that is seeking the lease.

Peter said that the reason the lease did not come before the CTC is that it was a short-term lease deemed to be at market value.

Peter Inman moved to adjourn the meeting at 12:25

George Moss seconded the motion, which carried 9-0 (John Glassmoyer was absent).