

CALIFORNIA TRANSPORTATION COMMISSION AIRSPACE ADVISORY COMMITTEE MEETING

Video Conference
District 12 Office Building
3347 Michelson Drive
Building 3355 - 4th Floor, Suite 100
Irvine, CA 92612

And
Video Conference
District 4 Office Building
111 Grand Avenue, 15th Floor
Oakland, CA 94111

January 9, 2001

MINUTES

The meeting of the California Transportation Commission Airspace Advisory Committee, was called to order at 11:20 a.m. on January 9, 2001, via video conference at two locations, Caltrans District 12 and Caltrans District 4.

Those in attendance were as follows:

District 12 Video Conference Area:	A. Auer - Chair, J. Glassmoyer, M. Smith, G. Moss
District 4 Video Conference Area:	N. Gruen, W. Greig, R. Payne
Commission Member:	R. Kozberg (attending in Dist. 12)
Commission Staff:	K. Jacobs (attending in Dist 4)
Caltrans Staff:	S. Atkins, B. Wilson, P. Schultze, S. Ikeda, G. Watkins, B. Macpherson, J. Conant (attending in Dist 4), and John Brown (attending in Dist 12)
Members Absent:	M. Green and B. Hauf

The meeting adjourned at 1:00 p.m. (due to video equipment shutdown).

Proceedings:

Item 1. Introduction of New Members/Staff

Scott Atkins, Caltrans HQ Right-of-Way Program, started the self-introduction of all persons present for the video conference.

Item 2. Approval of October 2000 Minutes

The minutes were presented for approval. Committee member Gruen moved to approve the minutes. Committee Member Smith seconded the motion, which carried 5-0 (members Green and Hauf were absent).

Item 3. Airspace-Change in Terms/Conditions Ravel (03-SAC-050-0011)

Peter Schultze, Caltrans HQ Right-of-Way, presented and requested that the committee recommend to the Commission a 30-year extension beyond the current 2015-year lease term and replace the current standard condemnation clause with a future transportation project clause. Committee member Greig asked about the history of the transportation clause and asked if the Department had ever had an opportunity to evoke this clause. Mr. Schultze stated that the clause was developed in the 1990's and had been evoked in the past. In response to a question, Mr. Schultze stated that the only compensation for a transportation project causing a loss of lease area was a pro-rated reduction in rent. Committee Member Smith moved to recommend to the Commission this win-win lease. Committee Member Greig seconded the motion, which carried 5-0 (members Green and Hauf were absent).

Item 4. Airspace-Request to Directly Negotiate CRV Enterprises (10-SJX-005-0201, 0300xz)

Gordon Watkins, Caltrans Central Region Right-of-Way, presented and requested that the committee recommend to the Commission that Caltrans directly negotiate a 30-year lease with CRV Enterprises, Inc of Stockton. Committee Member Greig asked why it is proposed to plot the state and private parcels together. Mr. Watkins said it is believed to be in the best interest of the State to do so. Committee Member Greig asked how does the Department know other parties are not interested in leasing these parcels. Mr. Watkins stated that the Department's records show there have been no proposals received in at least 10 years. Committee Member Payne indicated she was concerned there may be interest by other nearby property owners. Committee Member Gruen added the Department should consider bidding the parcel, rather than leasing by direct negotiations. The Committee discussed how the highest best use value would be determined and that the Committee will need to know whom the principles are on each request to directly negotiate in order to prevent any conflict of interest. Committee Member Payne suggested that the Department should have some standard operating procedures in place that would allow the Department to present to the Committee a full and complete accounting of the entity requesting the lease. Committee Member Payne asked if the Department knows who owns stock in CRV Enterprises. Committee Member Gruen moved to have the Department return at a future meeting once it had the opportunity to complete further investigation regarding the adjoining parcels and the company. Committee Member Glassmoyer seconded the motion, which carried 5-0 (members Green and Hauf were absent).

Action: The Department should develop standard guidelines for background information on proposed lessees for items presented to the committee

Item 5. Excess Land-Approval of Direct Sale (over \$1.0 million) The Irvine Company (DD063768-01-01, 02)

Steve Ikeda, Caltrans HQ Right-of-Way, presented and requested that the Committee recommend to the Commission that Caltrans sell approximately 11.823 acres in excess land for direct sale (by exchange) to the Irvine Company. The Committee discussed the wide range in wetland appraisals and that the value is typical of similar mitigation properties statewide. Also discussed was why the State didn't acquire record title at the time of the City of Irvine's donation of the \$14 million worth of property to the State approximately 10-years ago. Mr. Ikeda clarified that title will be transferred for all the separate properties including the previously donated property as part on the one escrow. Committee members requested that Caltrans include maps with the meeting material packages for all parcels and subject items being discussed. Committee member Payne moved to accept the direct sale of land to the Irvine Company. Committee member Gruen seconded the motion, which carried 5-0 (members Green and Hauf were absent)

Item 6. Excess Lane-Approve of Direct Sale (over \$1.0 million) City of Newport Beach (DD040766-01-01, 02)

Steve Ikeda, Caltrans HQ Right-of-Way, presented and requested that the Committee recommend to the Commission that Caltrans sell approximately 15 acres of vacant land for direct sale to the City of Newport Beach. The purchase price of \$4,185,000 is based on an appraisal with a date of value of March 2000, and the transaction would include an 18-month option. The Committee discussed the March 2000 appraisal and that prices could have changed in 10 months. Further, the appraiser speculated that there was a 4-year holding period until the property could be developed to its highest and best use. Committee member Gruen asked what is the discount rate for the property. Mr. Ikeda answered 20%. The Committee agreed that this type of information should be included in the reports submitted to members prior to the meeting. Discussion continued on the State waiting until the parcel had access before selling and Committee Member Payne asked why the Department was moving forward now. Committee Member Gruen stated that waiting to sell may be in the State's best interest. Mr. Ikeda indicated the Department is under considerable pressure to market excess land as quickly as is reasonable. Committee member Payne moved to have the Department gather additional information regarding current fair market value and discount rates before bringing this item back to the Committee. Committee Member Gruen seconded the motion, which carried 5-0 (members Green and Hauf were absent).

Item 7. Airspace-Proposed CTC Resolution Leasing of Airspace for Public Mass Transit Facilities

Scott Atkins, Caltrans HQ Right-of-Way, presented and requested that the Committee recommend to the Commission approval an amended "G" Resolution, which provides for the Procedure for Leasing Airspace to Public Entities. The amendment will provide that the Department shall submit all leases or other written agreements with public entities for mass transit facilities, for less than market rent, to the Commission for approval.

Mr. Atkins explained, that at the October 11, 2000 meeting of the Committee, a proposal by the Department was submitted which encourages mass transit agencies to utilize

airspace for new mass transit facilities that will reduce congestion on our highways. The original proposal included a delegation to the Department to enter into these agreements without specific CTC approval utilizing a two-tiered rental proposal. The rent for direct congestion relief projects was to be a nominal amount, and indirect congestion relief was to be 50% of fair market rent. The Committee did not recommend the delegation and indicated a 50% reduction in rent for indirect congestion relief projects was not in order.

Mr. Atkins explained the current proposal removes the request for the delegation, retains the nominal rent for direct congestion relief projects, and provides the lease rate may be less than appraised fair market rent for projects which result in indirect congestion relief. He added that this proposal has the potential to expand the Committee's and CTC's role, related to the Airspace Program, beyond the historical list of airspace parcels to areas within the median of the highway and possibly other areas within the highway right of way.

Mr. Atkins emphasized this proposal is for new congestion relief projects. Commissioner Kozberg clarified what a "G" Resolution was by adding that "G" Resolutions are typically Commission policy resolutions either providing policy direction or delegation to the Department.

Committee member Gruen moved to make a recommendation to the Commission to approve the resolution. Committee Member Greig seconded the motion which carried 5-0 (Members Green and Hauf were absent)

Item 8. Fiber Optic Program Discussion

Peter Schultze, Caltrans HQ Right-of-Way, presented the item stating that the Department doesn't currently have a Fiber Optic Program, however, should it be decided to have one the Airspace Program is where it should be. Typically, it has been policy to keep utilities out of the right of way but fiber optics have been determined to be a safe utility in that it doesn't burn, explode, etc. and could be quite lucrative. The Committee discussed that it would probably behoove the Department to do further research regarding fiber optics in the State right of way by using a technical person familiar with costs to install and what types of charges are being incurred by other agencies (i.e., railroads). It was agreed that the Department should get additional information since there hasn't been a clear direction from the administration regarding fiber optics. Committee member Greig suggested each member submit names, if known, to the Department of those people working in this area to determine pros and cons regarding the issue.

Item 9. Discussion to Set Future Meeting Schedule

This item was not presented, as the video equipment shut off prior to the discussion.