

Memorandum

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To: CHAIR AND COMMISSIONERS

CTC Meeting: August 16-17, 2017

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Action

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Subject: **AIRSPACE LEASE; Transbay Joint Powers Authority**

ISSUE:

Should the California Transportation Commission (Commission) approve terms and conditions for an airspace lease between the California Department of Transportation (Caltrans) and the City of San Francisco acting through its Transbay Joint Powers Authority (TJPA)?

RECOMMENDATION:

Commission staff recommends that the Commission approve the following terms and conditions for the TJPA airspace lease:

1. Lease Term: 5 years, with 10 permitted extensions (50 years total).
2. Use: Public Park only, no changes in use permitted.
3. Rent: \$1 per year.
4. Building the park and then maintaining and operating the facility in a clean and safe condition are the TJPA's responsibility.
5. All other Caltrans airspace lease provisions remain applicable.

BACKGROUND:

The City of San Francisco, through its planning department, has determined the freeway lease areas in question are zoned "Public" and this zoning does not permit parking operations, open storage or any commercial uses on these Caltrans owned parcels. The City's determination prevents Caltrans from leasing the parcels to private entities for the previously permitted commercial parking operations. After the change to the permitted use and the completion of freeway construction, the TJPA expressed a desire for a long term lease of the parcels as part of a planned city public park.

Based on the planning department's zoning use determination, the San Francisco Office of Community Investment and Infrastructure and the TJPA estimate the fair market leasing value of the Caltrans parcels is zero.

Caltrans in its commission book memorandum states it is committed to cooperating with the TJPA in the development of these freeway lease areas into a park. With the discussed change in

permitted use Caltrans' remaining benefit and only economic use is to lease the freeway lease areas as a park. Caltrans further states, executing a lease with the TJPA will fulfill its Mission, Vision, and Goals by working with its local partners and providing public open space in the Transbay Redevelopment Area that will be a unique urban amenity for the neighborhood and connect the new Transbay Terminal to Folsom Street, providing a benefit to the public.