

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: November 8-9, 2006

Reference No.: 2.4c.
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Bimla Rhinehart
Division Chief
Right of Way and Land Surveys

Subject: AIRSPACE LEASE DIRECT NEGOTIATIONS – LEASE RENEWAL –
NORMAN’S NURSERY

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) authorize execution of a lease between the Department and the Lessee, Norman’s Nursery.

ISSUE:

The proposed lessee has leased the subject property since December 1, 1991, using the parcel as a nursery. Commission approval to renew the lease is required for the lessee to continue to use the subject parcel located in the city of Baldwin Park.

Direct negotiations have resulted in the following terms and conditions:

Use:	Nursery
Initial Term:	5 years
Options:	One five-year option
Negotiated Rent:	\$0.0078 per square foot = \$644.00/month
Annual adjustments:	Consumer Price Index, minimum of 2 percent, maximum of 7 percent
Re-evaluations:	At commencement of option period.
Cancellation:	Lessee may cancel after two years, Department may cancel at any time for future project needs.

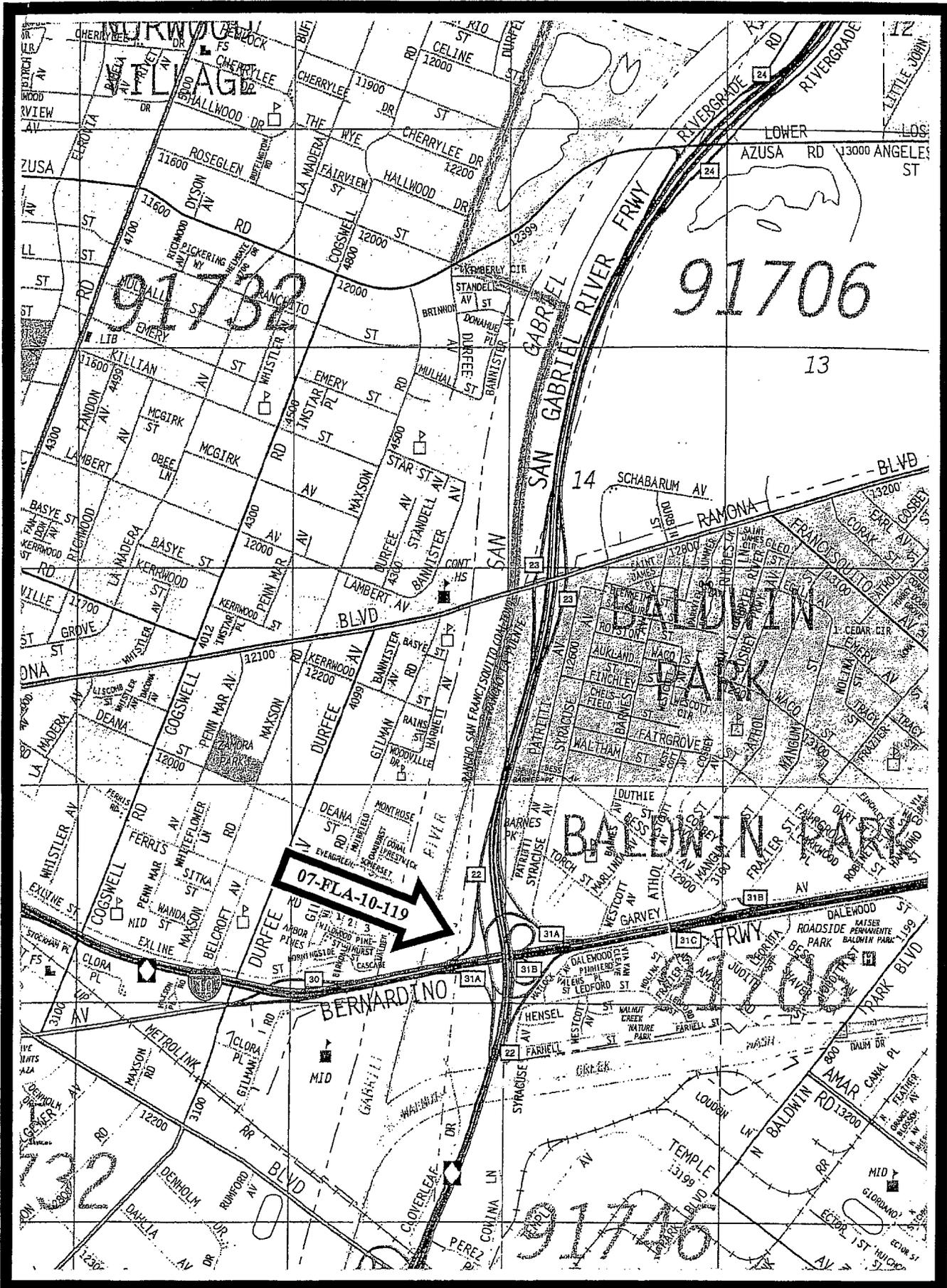
BACKGROUND:

The subject parcel is located in the westerly most area of the city of Baldwin Park between the San Gabriel River and the Interstate 605 freeway in Los Angeles County (see attached maps). The unimproved, level, and irregularly shaped parcel totals 82,736± square feet and is zoned “Open Space.” The parcel is accessible only via the adjoining Southern California Edison (SCE) tower-line right of way. Access to both the subject parcel and the SCE site is via a Los Angeles Flood Control driveway off Ramona Boulevard, approximately one mile to the north of the subject parcel.

The proposed lessee has leased the subject property since December 1, 1991, using the parcel as a nursery. The site is specifically used for storage of boxed and potted plants. The proposed lessee also leases the adjoining 39.93 acres of SCE right of way, which landlocks the subject parcel. The SCE lease was renewed in January 2006 at a rate of \$0.005 per square foot per month, for a three-year term, with no rental escalation adjustments.

The highest and best use for this parcel is for nursery purposes. Therefore, the proposed lease is in the Department's best interest, as the optimum return for this site will be realized through a direct lease with said lessee. The subject site adds revenue to the Department and relieves the Department from continuing liability and maintenance responsibilities, and it does not detract from the safety and aesthetics of the adjoining freeways. The rental rate is based upon a May 22, 2006 fair market rental rate determination.

Attachments



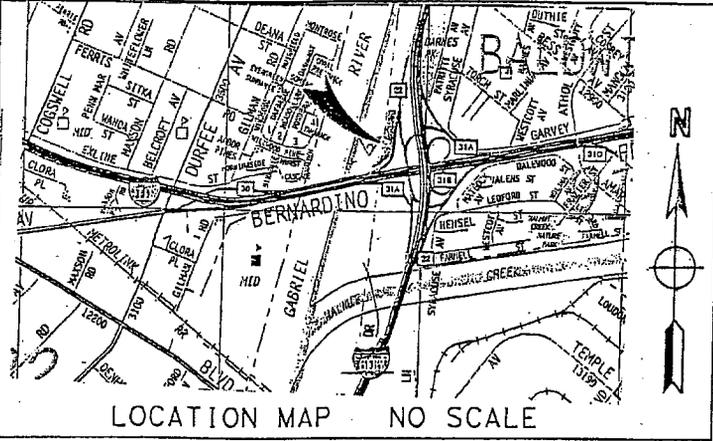
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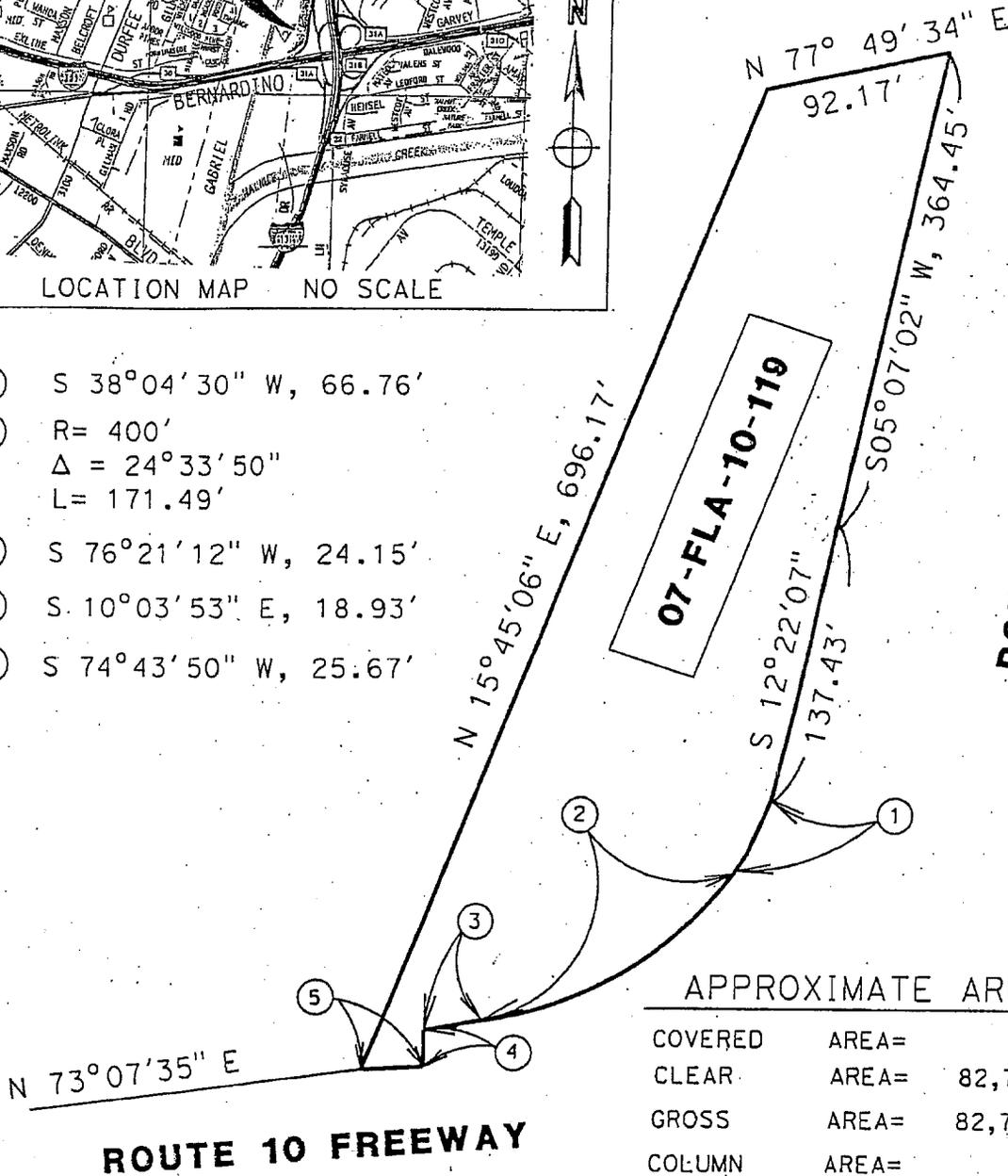
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CITY OF BALDWIN PARK



DIST	COUNTY	ROUTE	POST MILE
07	LA	10	19.9

- ① S 38°04'30" W, 66.76'
- ② R= 400'
Δ = 24°33'50"
L= 171.49'
- ③ S 76°21'12" W, 24.15'
- ④ S 10°03'53" E, 18.93'
- ⑤ S 74°43'50" W, 25.67'



APPROXIMATE AREAS

COVERED	AREA=	0	SF
CLEAR	AREA=	82,736	SF
GROSS	AREA=	82,736	SF
COLUMN	AREA=	0	SF
NET	AREA=	82,736	SF

Note: Complete and Accurate Utility Data Should Be Verified By The Leasee

STATE RETAINS ACCESS RIGHTS

INTERSTATE

STATE OF CALIFORNIA-DEPARTMENT OF TRANSPORTATION-DISTRICT 07

INVENTORY **FREEWAY LEASE AREA**

07-FLA-10-119

SCALE: NONE
DRWN: FC CHKD: JM
DATE: 09-14-2006

REF. MAP: 26066-C, F1859