

# **GENERAL INFORMATION**

1. Public Auction
  - a. The auction will be conducted online. In order to place bids, Bidders must participate in the online auction. As further discussed in Paragraph 4 of the Terms and Conditions, the successful Bidder must submit a specified fraction of the Monthly Bid Rent, Monthly License Fee, or Annual Bid Rent, whichever is applicable; and a Security Deposit.
2. Please Refer to Terms and Conditions
  - a. The Terms and Conditions contain complete information on the terms of auction. We urge you to read them carefully. Certain parcels included in this auction may be leased or licensed subject to Special Terms and Conditions in addition to the standard terms.
3. Minimum Eligibility Requirements
  - a. Successful Bidders must furnish identification and documentation in the manner and time limit specified in Paragraph 4 of the Terms and Conditions.
  - b. Within the time limit specified in Paragraph 4 of the Terms and Conditions, successful Bidders will be required to submit documents verifying, among other things, that they are not delinquent in the payment of real estate taxes for any property located in the City of New York or any other obligation with the City of New York.
4. Inspection
  - a. Inspection dates and times are indicated on each parcel's Bidding Portal.
5. No Broker's Commissions will be payable by the City of New York. See Paragraph 15 of the Terms and Conditions.
6. Eligibility of City Employees to Bid on the Sale, Lease, or License of Public Property at DCAS Public Auctions
  - a. The following persons may not bid on or lease or license real property at a DCAS public auction:
    - i. elected officials;
    - ii. employees in the Office of Property Management of the Department of Housing Preservation and Development (HPD);
    - iii. employees in Real Estate Services of the Department of Citywide Administrative Service (DCAS);
    - iv. Commissioners, Deputy Commissioners, Assistant Commissioners, and others of equivalent rank in HPD or DCAS;
    - v. any officer or employee who has participated in decisions or matters affecting the disposition of the City property or the use thereof being auctioned.
7. Requirements of Lessees and Licensees with Respect to Vacant Land-Clearing and Fencing
  - a. Bidders are advised that occupants of vacant lots within the City of New York are required by law to fence such lots and maintain them in a clean and sanitary condition. Failure to clean and maintain such property could result in the imposition of substantial penalties based on enforcement actions as well as the

exercise of other enforcement powers by the Department of Transportation, Department of Health, Department of Sanitation and other agencies having jurisdiction.

8. Penalty for Bid Rejection or Refusal to Proceed with a Lease or License
  - a. If for any reason a bid is rejected or the successful Bidder refuses to proceed with the lease or license of any one parcel, then a default on such parcel will constitute a default on any other bids submitted by said Bidder.
9. The information on this website is available for the convenience of prospective lessees and licensees and is as accurate as can be reasonably provided. For further information, please call 212-386-0335.

# **TERMS AND CONDITIONS**

## 1. DEFINITIONS

- a. Bidder: A member of the public who places a bid on a parcel via [nyc.gov/auctions](http://nyc.gov/auctions).
- b. Apparent Highest Bidder: The Bidder who, at the conclusion of the auction, appears to have posted the winning bid on a parcel.
- c. Date of Apparent Highest Bidder Identification: The date on which the identity of the Apparent Highest Bidder is posted on [nyc.gov/auctions](http://nyc.gov/auctions).
- d. Bid Deposit: A refundable deposit required to be tendered by the Bidder at the time of submission of a bid in order to bid on a parcel.
- e. Monthly Bid Rent: In an auction for a Short-Term Lease, the highest bid made and accepted for a leased parcel.
- f. Monthly License Fee: In an auction for a Short-Term License, the highest bid made and accepted for a licensed parcel.
- g. Short-Term Lease: A lease whose term is at most one day less than a year.
- h. Short-Term License: A license whose term is at most one day less than a year.
- i. Long-Term Lease: A lease whose term is at least a year.
- j. Security Deposit: Money tendered by a lessee or licensee to the City as security for full and faithful performance of the terms of the lease or license.
- k. Annual Bid Rent: In an auction for a Long-Term Lease, the highest bid made and accepted for a parcel.
- l. Minimum Net Worth (“MNW”): Asset level required to be demonstrated by an Apparent Highest Bidder.
- m. Deputy Commissioner: The Deputy Commissioner of Real Estate Services line of service of the Department of Citywide Administrative Services of the City of New York.
- n. City: The City of New York, acting by and through the Real Estate Services line of service of the Department of Citywide Administrative Services.
- o. Special Terms and Conditions: Terms and Conditions which apply to a particular parcel, either in addition to or substituting for the Terms and Conditions of the auction.
- p. DCAS: The Department of Citywide Administrative Services of the City of New York.
- q. Real Estate Services (“RES”): The Real Estate Services line of service of the Department of Citywide Administrative Services of the City of New York.
- r. Broker’s Commissions: Compensation received for effecting transactions for the account or on order of others, whether in a principal or agency transaction, and whether charged explicitly or implicitly as a fee, commission, spread, markup or otherwise.
- s. Bidding Portal: Web page on which a Bidder may view information pertaining to a parcel and bid on the parcel.

## 2. GENERAL ELIGIBILITY TO BID

- a. The City will not restrict an otherwise eligible Bidder on the basis of actual or perceived age, race, creed, religion, sex, gender, color, disability, sexual preference or orientation, national origin, alienage, citizenship status, partnership status, marital status, military status, presence of a service animal, or any other class of individuals protected from discrimination in public accommodations by City, State or Federal laws, rules, or regulations.

## 3. INELIGIBILITY TO BID AND LEASE

- a. Bidder Has Defaulted on Other Obligations
  - i. No Bidder, including, without limitation, any Business Entity (as defined below) or subsidiary, parent or Affiliate (as defined below) thereof, of any trustee(s), director(s), officer(s) or shareholder(s) with voting interests or owning a total of ten percent (10%) or more of any of the foregoing, who or which is or has been in default in or on any contract, obligation or agreement of any kind or nature whatsoever entered into with the City of New York, or any of its agencies, within a period of five (5) years prior to the date of the auction, will be accepted as an eligible Bidder for any parcel. Such obligations include, among other things, the obligation to pay in full all New York City property taxes and charges when due.
- b. Bidder Was a Former Owner of the Parcel
  - i. No Bidder, including, without limitation, any Business Entity or subsidiary, parent or Affiliate thereof, or any director(s), officer(s) or shareholder(s) with voting interests or owning a total of ten percent (10%) or more of any of the foregoing, who or which was a former owner of the parcel within a period of five (5) years prior to the date of the applicable lease auction will be accepted as the tenant of the parcel.
- c. Bidder Is an Ineligible City Employee, Official, or Officer
  - i. The following persons may not bid on or lease or license real property at a DCAS public auction:
    1. elected officials;
    2. employees in the Office of Property Management of the Department of Housing Preservation and Development (HPD);
    3. employees in Real Estate Services of the Department of Citywide Administrative Service (DCAS);
    4. Commissioners, Deputy Commissioners, Assistant Commissioners, and others of equivalent rank in HPD or DCAS;
    5. any officer or employee who has participated in decisions or matters affecting the disposition of the City property or the use thereof being auctioned.
- d. Penalty for Bidding When Ineligible
  - i. If it is determined in the sole discretion of the Deputy Commissioner that the Apparent Highest Bidder is ineligible to bid on or lease or license a parcel, the said bid will be rejected and the lease or license awarded to the next highest qualified Bidder. However, if in connection with this determination, Bidder has provided to the City any knowing false documents or statements, this shall constitute a default pursuant to Paragraph 11(a) hereinafter.

- e. Penalty for Bid Rejection or Refusal to Proceed with a Lease or License
  - i. If for any reason a bid is rejected or the successful Bidder refuses to proceed with the lease or license of any one parcel, then a default on such parcel will constitute a default on any other bids submitted by said Bidder.
- f. For the Purposes of This Paragraph 3 in Its Entirety:
  - i. Where the Bidder is an individual:
    - a. the interests and defaults of the Bidder's spouse may be attributed to the Bidder; and
    - b. the interests and defaults of a Business Entity (and of any parent, subsidiary or Affiliate of such Business Entity) in which the Bidder has a ten percent (10%) or greater ownership or voting interest shall be attributed to the Bidder;
  - ii. Where the Bidder is a Business Entity:
    - a. the interests and defaults of any trustee(s), director(s) or officer(s) and any shareholder(s) having a total of ten percent (10%) or more of its voting stock, ownership interest or control shall be attributed to it (for purposes of these subparagraphs (ii)(a) and (b), the interests and defaults of the family members listed in subparagraph (i)(a), above, shall be attributed to the individuals set forth in these subparagraphs); and
    - b. the interests and defaults of a Business Entity (and of any parent, subsidiary or Affiliate or such Business Entity) in which the Bidder or any subsidiary, parent or Affiliate thereof or any trustee(s), director(s), officer(s) or shareholder(s) thereof has a total of ten percent (10%) or greater ownership, voting interest or control shall be attributed to the Bidder.
  - iii. For the Purposes of this Paragraph 3, the Following Definitions Apply:
    - a. Affiliate - A Business Entity in which the Bidder has, directly or indirectly, a voting, control or ownership interest of ten percent (10%) or more, or which has such an interest in the Bidder.
    - b. Business Entity - A legal being, other than an individual, natural person, e.g., a corporation, partnership, joint venture or syndication. A Business Entity must be duly formed in accordance with all applicable provisions of law and have the legal capacity, among other things, to be sued and to own and mortgage property in the State of New York.

#### 4. LEASE OR LICENSE PAYMENTS AND DEPOSITS; DISCLOSURE

##### a. Pertaining to bid submission

- i. In order to submit a bid, contemporaneous with submitting the bid, Bidders will be required to submit a Bid Deposit representing 10% of the Minimum Monthly Bid for that parcel, using the method(s) of payment indicated on the parcel's Bidding Portal. The Bid Deposit is refundable once the Apparent Highest Bidder has been posted on [nyc.gov/auctions](http://nyc.gov/auctions) on December 13, 2021.

##### b. Pertaining to Apparent Highest Bidder

- i. The Apparent Highest Bidder must submit the following to: DCAS Real Estate Services, Short Term Leasing/Auction, 1 Centre Street 20<sup>th</sup> Floor South, New York, NY, 10007, within ten (10) business days following the Date of Apparent Highest Bidder Identification or as otherwise instructed by DCAS. An absent or incomplete submission will result in the rejection of the bid and the subsequent consideration of alternate Bidders.
  - a. Security Deposit in the amount of one quarter the annual bid rent ("Annual Bid Rent") for Long-Term Leases or an amount equal to three times the Monthly Bid Rent or Monthly License Fee for Short-Term Leases or Short-Term Licenses, in the form of a certified check, cashier's check, or postal money order payable to "New York City Comptroller's Office". If you are using money orders for your submission, you must use postal money orders. Personal money orders are not acceptable.
  - b. The Monthly Bid Rent or Monthly License Fee in the case of Short-Term Leases or Short-Term Licenses, or one-twelfth the Annual Bid Rent in the case of Long-Term Leases, in the form of a certified check, cashier's check, or postal money order payable to "DCAS Real Estate Services". If you are using money orders for your submission, you must use postal money orders. Personal money orders are not acceptable.
  - c. A completed (notarized) Disclosure Statement from the Bidder (individual, partnership or corporate entity), together with Disclosure Statements submitted by each individual with a ten percent (10%) or greater ownership or voting interest in a bidding partnership or corporation.
  - d. Copies of two pieces of identification, one of which must be either a valid driver's license, non-driver's photo I.D. issued by the Department of Motor Vehicles or a valid passport and proof of domicile (e.g., utility bill) and, for Business Entities, proof of principal place of business satisfactory to the City of New York.
  - e. If Bidder is a corporation: (i) a Resolution of the Board of Directors thereof, authorizing participation in the auction; (ii) Incumbency Certificate disclosing the names of the

officers and verifying their signatures; (iii) Certificate of Good Standing issued by the State of New York.

f. If Bidder is a partnership: certified copy of Certificate of Partnership or Certificate of Doing Business under an Assumed Name.

ii. After the execution of the lease, the monies received by the City as a Security Deposit will be retained by the New York City Comptroller's Office and held for such purpose.

#### 5. MINIMUM NET WORTH

- a. Within ten (10) business days following the Date of Apparent Highest Bidder Identification, all Apparent Highest Bidders (i.e. corporations, partnerships, individuals) shall submit the following to: DCAS Real Estate Services, Short Term Leasing/Auction, 1 Centre Street, 20<sup>th</sup> Floor South, New York, NY, 10007, proof that Bidder has a minimum net worth (hereinafter "MNW" or, in the case of a not-for-profit corporation, a minimum fund balance) equal to twelve times the Monthly Bid Rent or Monthly License Fee for Short-Term Leases or Short-Term Licenses, or at least twice the Annual Bid Rent for Long-Term Leases. The MNW shall not include an amount equal to the one-twelfth Annual Bid Rent but may include as an asset the Security Deposit tendered on the Date of Apparent Highest Bidder Declaration. Such evidence must consist of either (a) a financial statement, including a balance sheet and income statement, for a period ending no earlier than one year prior to the date of the auction, accompanied by an affidavit signed by the Bidder that the financial statement is complete and accurate or (b) a letter from the Bidder's certified public accountant dated no more than thirty (30) days prior to the date of the auction, stating the said Bidder's net worth or stating that the Bidder's net worth is greater than the applicable MNW. It is in the sole and absolute discretion of the City as to whether the submitted financial statement or letter adequately demonstrates compliance with the MNW requirement. The City reserves the right to make any inquiries concerning any such financial statement or letter or to require a financial statement and the Bidder must promptly and fully respond to any such inquiry.
- b. If the Bidder cannot meet the MNW requirement, it may obtain a personal guarantee from a guarantor who can meet the MNW requirements and can provide evidence as set forth above. Such personal guarantor will be required to submit a Disclosure Statement and financial statements.
- c. If a Bidder is the successful Bidder on more than one property, the MNW or minimum fund balance requirement shall be cumulative. For example, if an MNW requirement would be \$10,000 for one bid, it would be \$20,000 in the event the Bidder was successful on two bids.
- d. A sample form of financial statement consisting of a balance sheet and income statement for both a corporate Bidder and an individual Bidder has been included on [nyc.gov/auctions](http://nyc.gov/auctions) as one method of disclosure for Bidders to utilize in providing evidence of MNW. Any similar form disclosing adequate data may be utilized. Balance sheets and income statements not in substantial conformance with forms included on [nyc.gov/auctions](http://nyc.gov/auctions) will be rejected.

6. PERSONAL GUARANTEE

- a. If the City determines that the Bidder cannot meet the MNW requirement, the City will require a personal guarantee from a guarantor with the requisite MNW. Failure to produce such a personal guarantee would render such a bid ineligible.

7. BIDS ON MULTIPLE PARCELS

- a. Bidders may bid on more than one parcel provided each bid is submitted separately, accompanied by separate deposits and any other required documentation in the form enumerated above.

8. DESCRIPTIONS

- a. Descriptions, aerial photographs, site photographs, photographs and maps displayed on the DCAS auctions web page, accessed via [nyc.gov/auctions](http://nyc.gov/auctions), distributed by DCAS, or statements made by officials, agents and employees of the City concerning the Property are for information only and should be verified by Bidders. No such description or statement or omissions thereof, shall be deemed to be a representation or warranty and Bidders acknowledge not having relied on any representation or warranty or omissions thereof, concerning the Property, its condition, state of title or lawful use.

9. SPECIAL TERMS AND CONDITIONS OF LEASE OR LICENSE

- a. Special Terms and Conditions may apply to the lease or license of a Property, as set forth in the listing of that parcel on its Bidding Portal. Such Special Terms and Conditions are deemed to be a part of the Terms and Conditions for that Property and are deemed incorporated into the lease or license. If there is an inconsistency between the standard Terms and Conditions and any Special Terms and Conditions, the Special Terms and Conditions shall prevail.

10. POWERS OF THE DEPUTY COMMISSIONER

- a. To Withdraw a Property from Auction
  - i. The Deputy Commissioner of DCAS reserves the right to withdraw any parcel from the auction and to reject any and all bids, if to do so is deemed in his/her sole discretion, to be in the best interest of the City.
- b. To Act in Best Interest of the City
  - i. Nothing contained in these Terms and Conditions shall be deemed to limit the authority of the Deputy Commissioner to take such steps as may be deemed to be in the best interest of the City.

11. BIDDER'S DEFAULT

- a. Any of the following shall constitute a Default by the highest qualified Bidder:
  - i. the making of any material misrepresentation, omission or false statement in any Disclosure Statement or supplementary information required herein and submitted to the City; or if the Bidder fails to verify the representations contained in these documents where required;
  - ii. discovery by DCAS prior to the City's execution of the lease or license that the Apparent Highest Bidder plans to use the premises in contravention of the terms of the lease or license;
  - iii. Bidder's failure to sign the lease or license in a timely manner;
  - iv. if any material misrepresentation, omission or false statement is discovered after the lease or license execution, the City may avail itself of all remedies available to it at law, it being acknowledged that these



representations are being relied upon by the City and are material to this transaction. The clause shall survive the lease or license execution;

- v. unlawfully entering upon or occupying any City-owned property, including the subject auction property, without written authorization from the City.
- b. If the highest qualified Bidder is found to be in default pursuant to this Paragraph 11 such Bidder will be disqualified and all monies paid by such Bidder will be retained by the City as liquidated damages. Bidder so held in default will not be eligible to bid on property at any City auction for a period of five (5) years from the date of the default.

## 12. REJECTION OF BIDS AND NEXT HIGHEST BIDDER

- a. In the sole discretion of the Deputy Commissioner, a bid may be rejected for the following reasons and in that event the lease or license will be awarded to the next highest qualified Bidder. Nothing herein shall prevent the City from also, if applicable, holding a Bidder in default pursuant to Paragraph 11 above.
  - i. If a required payment is missing or in improper amount or form.
  - ii. If any required form, document or information is missing or incomplete or incorrectly filled out.
  - iii. If the Bidder does not meet the MNW requirements set forth in Paragraph 5 above.
  - iv. If the Bidder is ineligible to bid and/or lease or license pursuant to Paragraph 3 above.
  - v. If it is determined that Bidder is not creditworthy as indicated by the existence of defaults on obligations to the City or any other creditor, unpaid debts and/or the existence of any other significant credit problem(s) as may be indicated by a credit report or other reliable sources.

## 13. EXECUTION OF LEASE OR LICENSE AND WITHDRAWAL OF BIDS

- a. The lease or license will be awarded to the highest qualified Bidder. Upon the City's completion of review and approval of Bidder's bid and submitted documents, the highest qualified Bidder and the City will execute the lease or license upon written notice from the City. A Bidder's failure to execute the lease or license within ten (10) business days from receipt of the aforesaid notice shall constitute a default pursuant to Paragraph 11 above.
- b. A Bidder may not withdraw its bid before the expiration of 45 days after the Date of Apparent Highest Bidder Identification; thereafter a Bidder may withdraw its bid only in writing and in advance of lease or license execution.
- c. The lease or license templates may be viewed prior to the auction on [nyc.gov/auctions](http://nyc.gov/auctions) under "References and Help". Any applicable Special Terms and Conditions pertinent to a parcel offering will be incorporated into the lease or license as a rider. (Please see paragraph 9 above regarding Special Terms and Conditions.) **The lease or license, including any applicable Special Terms and Conditions, will not be subject to negotiation or modifications.**
- d. Until Bidder is in receipt of a fully executed counterpart of the lease or license, Bidder may not enter upon or occupy the premises or have any rights thereto. In the event that the City cannot give possession in a timely fashion, its sole liability will be the return of any deposits and payments submitted by the highest Bidder. No bid shall be deemed accepted, and no rights shall accrue against the City, nor

shall there be deemed a lease or license unless and until a fully executed lease or license is delivered to the highest qualified Bidder.

#### 14. FEES

- a. All fees, unless otherwise specifically provided, shall be paid by official bank check, certified check, bank money order or postal money order payable to the order of "DCAS Real Estate Services".
- b. The successful Bidder will be responsible for a one-time auction fee in the amount of 5% of the Monthly Bid Rent, Monthly License Fee, or Annual Bid Rent, payable as instructed on or about the Date of Apparent Highest Bidder Identification.

#### 15. BROKER'S COMMISSIONS

- a. No Broker's Commission will be paid by the City of New York.

#### 16. DUE DILIGENCE

- a. Bidders are responsible for performing their own due diligence, including inspecting the properties and consulting an architect, engineer, and other qualified advisors on all matters pertaining to the properties, including with regard to zoning and other land use regulations.

#### 17. NOTICES

- a. Any notice which, under the provisions of the Terms and Conditions may or must be given to either party shall be effective if such notice is in writing and sent to the following addresses:
  - i. to the successful Bidder: at the address provided by the successful Bidder on its Disclosure Statement;
  - ii. to the City (RES): Executive Director of Planning and Dispositions, New York City Department of Citywide Administrative Services, Real Estate Services, 1 Centre Street, 20<sup>th</sup> Floor South, New York, NY 10007.
- b. Any notice given in the foregoing manner shall be deemed effective on the day of mailing. Personal delivery shall not constitute effective service of any notice.

# ZONING INFORMATION

**For information on Zoning, contact the Department of City Planning at (212) 720-3291, 9:00 a.m. to noon, 1:00 p.m. to 4:00 p.m., or visit online at [nyc.gov/zoning](http://nyc.gov/zoning). For information regarding EXACT zoning requirements, consult the New York City Zoning Resolution, by visiting [zr.planning.nyc.gov](http://zr.planning.nyc.gov).**

The following information will assist Bidders in understanding and interpreting the applicable zoning regulations governing use of property in the City of New York. These guidelines apply to the use of vacant lots, the use of existing buildings or to permitted accessory uses.

**These guidelines are not intended as anything other than a general summary of terms used in this auction brochure and are provided for convenience of reference only. DCAS is not charged with the enforcement or interpretation of zoning laws and regulations and makes no representations in this regard.**

## DEFINITIONS

**RESIDENTIAL:** Residential Districts (R1-R10) vary according to bulk, permissible density and other controls, such as parking and open space.

**COMMERCIAL:** Commercial Districts (C1-C8) vary according to the area they are to serve (local vs. regional) and the compatibility with adjacent residential uses. All residential uses are permitted in C1-C6 districts. Many C districts are further subdivided by another numerical suffix, e.g., C6-9, which allows a greater range of bulk and parking standards.

**MANUFACTURING:** Manufacturing Districts (M1-M3) vary according to their impact on the environment and the types of materials used in the production processes. No residential use is permitted in M zones without first obtaining a variance from the Board of Standards and Appeals.

**PARKING:** Parking provisions differ according to the type of district and the use and size of the development. The Zoning Resolution controls the minimum number of spaces required, the maximum number of spaces permitted and the distance of the parking facility from the use to which it is accessory.

**USE GROUPS:** Within each zoning district, certain activities are permitted which are categorized as use groups. There are 18 use groups: residential and institutional activities are within use groups 1-4, local retail and services are within use groups 5-9, regional shopping is within use groups 10-12, open space activities are within use groups 13-15, manufacturing is within use groups 16-18. The following chart shows permitted use groups. For further information on what uses are allowable within specific zones contact the [Department of City Planning](#) or the borough office of the [Department of Buildings](#).

**RESIDENTIAL DISTRICTS: Permitted Uses**

<b>District</b>	<b>Uses</b>	<b>Permitted Use Groups</b>
R1	Single Family Detached Residence; Community Facility Use	1, 3, 4
R2	Single Family Detached Residence; Community Facility Use	1, 3, 4
R3-1	Single- or Two-Family Residence, Attached or Semi-attached; Community Facilities	1, 2, 3, 4
R3-2 to R10	Residence of all kinds; Community Facilities	1, 2, 3, 4

**COMMERCIAL DISTRICTS: Permitted Uses**

<b>District</b>	<b>Uses</b>	<b>Permitted Use Groups</b>
C1	Wide range of retail stores and personal service establishments for local shopping; Residential and Community Facilities.	1-6
C2	Wide range of local service establishments; Residential and Community Facilities.	1-9, 14
C3	Waterfront recreation, related to boating and fishing; Residential and Community Facilities.	1-4, 14
C4	General Commercial uses such as department stores, theatres, etc.; Residential and Community Facilities.	1-6, 8-10, 12
C5	Central Commercial uses which serve the entire metropolitan region; Residential and Community Facilities.	1-6, 9-11
C6	Full range of commercial uses requiring a central location; Residential and Community Facilities.	1-12
C7	Large, noisy, traffic generating uses such as open amusement park.	4-10, 12-15
C8	Service establishments such as automobile service stations.	4-14, 16

**MANUFACTURING DISTRICTS: Permitted Uses**

<b>District</b>	<b>Uses</b>	<b>Permitted Use Groups</b>
M1	Light industrial uses such as research laboratories, or wholesale service facilities; Certain Community Facilities.	4-14, 16, 17
M2	General industrial uses with performance characteristics less desirable than those permitted in M1 district.	5-17
M3	Heavy industrial uses such as chemical manufacturing, power plants, foundries, etc.	5-18

# **FREQUENTLY ASKED QUESTIONS**

## **1. HOW WILL THE AUCTION BE CONDUCTED?**

Online bids will ONLY be accepted through the DCAS auctions web page, accessed via [nyc.gov/auctions](https://nyc.gov/auctions), from December 2, 2021 at 9:00 AM until December 9, 2021 at 9:00 PM. After placing bids, existing Bidders and new Bidders will have the opportunity to submit a bid or increase a previous bid amount until the end of the auction. Bidders who wish to make arrangements to utilize a computer at DCAS' office located at 1 Centre Street, Manhattan, for online bid submissions may call (212) 386-0335.

## **2. MAY I BID ON MORE THAN ONE PARCEL?**

Yes. Provided each bid is accompanied by the required forms and deposits, you may bid on as many parcels as you wish. Each bid must be submitted separately.

## **3. DO THE SAME LEASE TERMS APPLY TO ALL PROPERTIES?**

No. Bidders may view a copy of the Long-Term Lease, Short-Term Lease, and License Agreement on [nyc.gov/auctions](https://nyc.gov/auctions) under "References and Help". Any Special Terms and Conditions will be incorporated into the applicable document to form a complete lease or license. **THE SHORT-TERM LEASE, LONG-TERM LEASE, AND LICENSE AGREEMENT ARE LEGAL DOCUMENTS; IT IS STRONGLY URGED THAT YOU CONSULT A LAWYER IN REVIEWING THESE DOCUMENTS, WHICH ARE NOT SUBJECT TO NEGOTIATION.**

## **4. IS THE LEASE OR LICENSE DOCUMENT SUBJECT TO NEGOTIATION?**

No. Pursuant to Paragraph 13 of the Terms and Conditions, the lease or license will not be subject to negotiation or modifications.

## **5. WHAT IS THE MINIMUM MONTHLY BID?**

The price at which the bidding will begin. For example, if the Minimum Monthly Bid is \$5,000, the bidding cannot begin below \$5,000.

## **6. IF THERE ARE NO BIDDERS ON A PARCEL AT THIS AUCTION, WILL THE PARCEL COME UP FOR AUCTION AGAIN?**

If there are no bids on a parcel when first offered at auction, the parcel will be re-evaluated and may be re-offered at public auction at a future date.

**7. WHAT IS A DEPOSIT AND HOW MUST THIS BE PAID?**

There are several distinct deposits:

- Bid Deposit: a refundable deposit of 10% of the Minimum Monthly Bid for that parcel, payable as indicated on each parcel's Bidding Portal.
- Security Deposit: a deposit in the amount of one quarter of the Annual Bid Rent for Long-Term Leases or an amount equal to three times the Monthly Bid Rent or Monthly License Fee for Short-Term Leases or Short-Term Licenses, payable by the Apparent High Bidder only, by certified check, cashier's check, or postal money order, after the auction has concluded and the Apparent High Bidder has been identified.

Bidders should also note that these deposits are separate from the Monthly Bid Rent or Monthly License Fee.

**8. ARE ANY OTHER PAYMENTS REQUIRED DURING THE AUCTION PROCESS?**

Yes. The highest Bidder is responsible for an auction fee (see Paragraph 14 of the Terms and Conditions).

**9. WHEN ARE AFFIDAVITS AND BUSINESS ENTITY PAPERWORK DUE?**

All affidavits, partnership certificates, corporate resolutions, incumbency certificates and certificates of good standing must be duly executed and submitted within ten (10) business days of following the Date of Apparent Highest Bidder Identification.

**10. MAY I ASSIGN OR TRANSFER MY SHORT-TERM LEASE OR LICENSE?**

Short-term leases or licenses are non-assignable/transferable.

**11. WHAT IS THE TERM OF A LONG-TERM LEASE?**

A Long-Term Lease is any lease with a term of one year or longer as set forth in such parcel offerings.

**12. WHAT IS THE TERM OF A SHORT-TERM LEASE OR LICENSE?**

A Short-Term Lease or License cannot have a term of more than one day less than a year.

**13. WHAT TYPE OF FINANCIAL STATEMENT MUST I SUBMIT?**

You or your guarantor must submit a current financial statement consisting of a balance sheet and income statement. The financial statement must demonstrate that you or your guarantor have a minimum net worth as more fully discussed in Paragraph 5 of the Terms and Conditions. "Net worth" is defined as the excess of tangible assets over liabilities. In lieu of a financial statement, you or your guarantor may submit a letter from a certified public accountant showing that you meet the minimum net worth requirement.

**14. WHEN CAN I EXPECT TO TAKE POSSESSION OF THE PROPERTY?**

Only upon receipt of a fully executed lease and/or license.

**15. DO I NEED TO USE A BROKER TO BID?**

No. You do not need to be represented by a broker to bid on a parcel. Please be aware that the City does not pay any Broker's Commissions, pursuant to Paragraph 15 of the Terms and Conditions.

**16. WHAT IS AN INTERIOR LOT?**

An interior lot means there is no direct access from any mapped street to the subject parcel. Bidders are advised to determine whether they will have access to the lot; the City makes no representations in this regard.

**17. IF I AM AN EXISTING TENANT ON A CITY PARCEL AND I ENTER INTO A LEASE PURSUANT TO THIS AUCTION, MAY I APPLY THE PRE-EXISTING SECURITY DEPOSIT TO THE NEW LEASE?**

Yes. A pre-existing security deposit may be applied at the written request of the bidder, but only if the new lease pertains to the same parcel.

**18. IF I ENTER INTO A LEASE OR LICENSE PURSUANT TO THIS AUCTION, WILL MY SECURITY DEPOSIT BEAR INTEREST?**

No. Once the lease or license is executed, the security deposit is held in a **NON-INTEREST-BEARING ACCOUNT** at the New York City Comptroller's Office. Unless retained by the City pursuant to the terms of the applicable lease or license, it is returned after you vacate the premises and your account is terminated.

**19. HOW DO I GAIN ACCESS TO THE PARCEL ON WHICH I AM INTERESTED IN BIDDING?**

All parcels will be available for inspection. Check the inspection time and date on each parcel's Bidding Portal.

**20. WHAT DOES "AS OF RIGHT" USE MEAN?**

["As of Right"](#) means the use must be in compliance with the existing zoning, as defined by the [New York City Zoning Resolution](#) ("Zoning Resolution"). For example, certain residential zones prohibit certain parking uses.

**21. WHAT IS ACCESSORY PARKING?**

"Accessory use" is defined in [Article I Chapter 2 Section 12-10](#) of the Zoning Resolution; among the examples of accessory uses listed in that section is "Accessory off-street parking spaces, open or enclosed". Where specifically provided in the applicable district regulations within the Zoning Resolution, accessory off-street parking need not be located on the same zoning lot.

**22. WHERE CAN I GET INFORMATION ON WHAT USES ARE PERMITTED UNDER ZONING?**

All prospective bidders are advised to consult a qualified advisor regarding the zoning and other land use regulations applicable to the subject lease auction property. For information about New York City zoning, bidders may contact the Department of City Planning's Zoning Help Desk at (212) 720-3291 or via the [contact webpage](#). For information regarding EXACT zoning requirements, bidders may consult the [Zoning Resolution](#).

**23. HOW DO I KNOW WHAT THE INSURANCE REQUIREMENT AMOUNTS WILL BE FOR MY LEASE OR LICENSE?**

Unless specifically stated in the parcel description on the web page for the auction of that parcel (see paragraph 1 above regarding the web page), insurance requirement amounts are stated in the lease or license agreement (see paragraph 3 above) for the applicable type of lease or license.