

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 Apparent Highest Bidder must submit a Bid Deposit and a Security Deposit.

2. Please Refer to Terms and Conditions

- a. The Terms and Conditions contain complete information on the terms of auction. Prospective bidders are urged to read them carefully. Certain Properties included in this auction may be leased subject to Special Terms and Conditions in addition to the standard terms.

3. Minimum Eligibility Requirements

- a. Apparent Highest 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, Apparent Highest Bidders will be required, as part of the Disclosure Statement required under Paragraph 4(b)(i)(c) of the Terms and Conditions, 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 Property's Bidding Portal.

5. Broker's Commissions

- a. 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.

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7. Requirements of Lessees 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 Default or Refusal to Proceed with a Lease

- a. If for any reason a bid results in a Default, including if the Apparent Highest Bidder refuses to proceed with the lease of any one Property, then a Default on such Property will constitute a default on any currently open bids for other City auctions submitted by said Bidder and ineligibility to bid on property at future City auctions in accordance with Paragraph 11(b) of the Terms and Conditions.

9. Accuracy of Website

- a. The information on this website is available for the convenience of prospective lessees and licensees and is as accurate as can be reasonably provided and is subject to change at DCAS' discretion. For further information, please call 212-386-0622.

TERMS AND CONDITIONS

1. Definitions

- a. **Affiliate:** Business Entity in which the Bidder has, directly or indirectly, a voting, control or ownership interest of twenty percent (20%) or more, or which has such an interest in the Bidder.
- b. **Apparent Highest Bidder:** The Bidder who, at any point during the Post-Auction Period, appears to have posted the highest bid on a Property and has not been rejected, disqualified, or deemed in Default, including any Bidder with the next highest bid on a Property following a Default by a prior Apparent Highest Bidder or a rejection of a bid by the same.
- c. **Bid Deposit:** A refundable deposit required to be tendered by the Bidder before bidding on a Property, as further detailed in Paragraph 4(a) below.
- d. **Bidder:** A member of the public or a Business Entity which places a bid on a Property via the DCAS Real Estate Auctions Website.
- e. **Bidding Portal:** Web page on which a Bidder may view information pertaining to a Property and bid on the Property.
- f. **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.
- g. **Business Entity:** A legal being, other than an individual, natural person, e.g., a corporation, partnership, joint venture or syndication.
- h. **City:** The City of New York, acting by and through the Real Estate Services line of service of DCAS.
- i. **Date of Apparent Highest Bidder Identification:** The date on which DCAS mails, emails, or otherwise transmits a notice to the Apparent Highest Bidder, identifying them as such, in accordance with Paragraph 17 below.
- j. **DCAS:** The Department of Citywide Administrative Services of the City of New York.
- k. **DCAS Real Estate Auctions Website:** The website that can be accessed at the following URL: <https://www.nyc.gov/site/dcas/business/real-estate-auctions.page> or by visiting [nyc.gov/auctions](https://www.nyc.gov/auctions) and clicking on the "Real Estate Auctions" link.
- l. **Default:** a default by a Bidder pursuant to Paragraph 11 below.
- m. **Disclosure Statement:** The disclosure statements available on the DCAS Real Estate Auctions Website (select Individual Disclosure Statement for Commercial Leasing or Partnership/Corporate Disclosure Statement for Commercial Leasing, as applicable) in addition to all other information and documents required in the General Instructions for Disclosure and Reporting Forms available on the DCAS Real Estate Auctions Website.
- n. **Deputy Commissioner:** The Deputy Commissioner of the Real Estate Services line of service of DCAS.
- o. **Financial Statement:** Either (a) a financial statement, for a period ending no earlier than one year prior to the date of the auction, including balance sheets and income statements in the form available on the DCAS Real Estate Auctions Website (select Individual Financial Statement or Corporate Financial Statement, as applicable), or any similar form disclosing all the data required on the forms available on the DCAS Real Estate Auctions Website, each accompanied by a signed affidavit (from the Bidder or guarantor, as applicable) stating that the

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- financial statement is complete and accurate or (b) a letter from a certified public accountant dated no more than thirty (30) days prior to the date of the auction, stating the said Bidder's or guarantor's (as applicable) net worth or stating that the Bidder's or guarantor's (as applicable) net worth is greater than the applicable MNW. Balance sheets and income statements not in substantial conformance with the forms included on the DCAS Real Estate Auctions Website will be rejected.
- p. Highest Qualified Bidder: The Apparent Highest Bidder who, at the conclusion of the Post-Auction Period, has posted the highest bid on a Property, is not in Default, has not been rejected by the Deputy Commissioner, and is prepared to sign a lease on the Property.
 - q. Long-Term Lease: A lease whose term is at least a year.
 - r. Minimum Annual 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.
 - s. Minimum Net Worth ("MNW"): Asset level required to be demonstrated by an Apparent Highest Bidder, as further detailed in Paragraph 5(a) below.
 - t. Monthly Bid Rent: In an auction for a Long-Term Lease, the highest bid made and accepted for a Property.
 - u. Post-Auction Period: the period beginning when bidding for a lease of a Property has closed and concluding when (i) a lease for such Property has been fully executed, (ii) such Property has been withdrawn from the auction by DCAS, or (iii) DCAS has determined that there are no qualified Bidders.
 - v. Property: A parcel of land, building, space within a building, or other property or improvement that is the subject of a Long-Term Lease auction.
 - w. Real Estate Services ("RES"): The Real Estate Services line of service of DCAS.
 - x. Security Deposit: Money tendered by a lessee to the City as security for full and faithful performance of the terms of a lease.
 - y. Special Terms and Conditions: Terms and Conditions which apply to a particular Property, either in addition to or substituting for the Terms and Conditions of the auction.

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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 orientation, national origin, alienage, citizenship status, partnership status, marital status, uniformed service, 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 who has defaulted on a contract, obligation or agreement of any kind or nature 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 Property. Such obligations include, among other things, the obligation to pay in full all New York City property taxes and charges when due. This ineligibility shall apply, without limitation, to:
 1. any Business Entity or Affiliate thereof, or any trustee(s), director(s), officer(s) or shareholder(s) with voting or ownership interests totaling twenty percent (20%) or more of any of the foregoing.
- b. Bidder Was a Former Owner of the Property
 - i. No Bidder, including, without limitation, any Business Entity or Affiliate thereof, or any director(s), officer(s) or shareholder(s) with voting or ownership interests totaling twenty percent (20%) or more of any of the foregoing, who or which was a former owner of the Property within a period of five (5) years prior to the date of the applicable lease auction will be accepted as the tenant of the Property.
- c. Bidder Is an Ineligible City Employee, Official, or Officer
 - i. The following persons may not bid on or lease real property auctioned 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. Bidder is a Business Entity Not Duly Formed in New York
 - i. 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.
- e. 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 a Property, then

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said bid will be rejected and the participating Bidder with the highest remaining bid will be designated the Apparent Highest Bidder. If in connection with this determination, Bidder has provided to the City any knowingly false documents or statements, this shall constitute a Default pursuant to Paragraph 11(a) hereinafter.

- f. Penalty for Bid Rejection or Refusal to Proceed with a Lease
 - i. If for any reason a bid results in a Default, including if the Apparent Highest Bidder refuses to proceed with the lease of any one Property, then a Default on such Property will constitute a Default on any currently open bids for other City auctions submitted by said Bidder and ineligibility to bid on property at future City auctions in accordance with Paragraph 11(b) below.
- g. 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 twenty percent (20%) 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 twenty percent (20%) 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 twenty percent (20%) or greater ownership, voting interest or control shall be attributed to the Bidder.

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4. Lease Payments and Deposits; Disclosure

a. Pertaining to bid submission

- i. In order to submit a bid, Bidders will be required to submit a Bid Deposit of \$2,500, using the method(s) of payment indicated on each Property's Bidding Portal. Bidders are advised that there is a deadline, indicated on each Property's Bidding Portal, for submitting Bid Deposits prior to the end of the auction.
 - a. For the Highest Qualified Bidder, the Bid Deposit is refundable once DCAS and the Highest Qualified Bidder have executed a lease for the Property.
 - b. For Apparent Highest Bidders in Default, DCAS will retain the Bid Deposit
 - c. For all other Bidders, the Bid Deposit will be refunded in accordance with Paragraph 13(c) below.

b. Pertaining to Apparent Highest Bidder

- i. The Apparent Highest Bidder must submit the following to: DCAS Real Estate Services, Long Term Leasing/Auction, 1 Centre Street 20th 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 an amount equal to three times the Monthly Bid Rent, in the form of a certified check, cashier's check, or postal money order payable to "New York City Comptroller's Office". If the Bidder is using money orders for its submission, the Bidder must use bank or postal money orders. Personal money orders are not acceptable.
 - b. The Monthly Bid Rent, in the form of a certified check, cashier's check, or postal money order payable to "DCAS Real Estate Services". If the Bidder is using money orders for its submission, the Bidder must use bank or postal money orders. Personal money orders are not acceptable.
 - c. A completed and notarized Lease Application and Disclosure Statement from the Bidder (individual, partnership or corporate entity), together with Disclosure Statements submitted by each individual with a twenty percent (20%) 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 of a state or territory of the United States 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

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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 (regardless of whether such Bidder is an individual or entity) shall submit the following to: DCAS Real Estate Services, Long Term Leasing/Auction, 1 Centre Street, 20th Floor South, New York, NY, 10007, proof that Bidder has a Minimum Net Worth (or, in the case of a not-for-profit corporation, a minimum fund balance) equal to at least twelve times the Monthly Bid Rent. The MNW shall not include an amount equal to the Monthly Bid Rent, but may include as an asset the Security Deposit. Such evidence must consist of a Financial Statement. It is in the sole and absolute discretion of the City as to whether the submitted Financial Statement adequately demonstrates compliance with the MNW requirement. The City reserves the right to make any inquiries concerning any such Financial Statement or to require an updated 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 completed Disclosure Statement and Financial Statement.
- c. If a Bidder is the Apparent Highest 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.

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 Properties

- a. Bidders may bid on more than one Property 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 the DCAS Real Estate Auctions Website, distributed by DCAS, or statements made by officials, agents

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and employees of the City concerning the Property are for informational purposes 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

- a. Special Terms and Conditions may apply to the lease of a Property, as set forth in the listing of that Property 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. 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, at any time prior to the execution of a lease, to withdraw any Property from the auction and to reject any and all bids, if to do so is deemed, in their 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 Apparent Highest 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 that the Apparent Highest Bidder plans to use the premises in contravention of the terms of the lease;
 - iii. Bidder's failure to sign the lease within ten (10) business days from receipt of notice from the City pursuant to Paragraph 13(a) hereof;
 - iv. if any material misrepresentation, omission or false statement is discovered after the lease 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. This clause shall survive the expiration of the lease and execution of the lease;
 - v. unlawfully entering upon or occupying any City-owned property, including the subject auction Property, without written authorization from the City;
 - vi. Bidder's failure to comply with these Terms and Conditions.
- b. If the Apparent Highest Bidder is found to be in Default pursuant to this Paragraph 11 such Bidder will be rejected 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

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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 participating Bidder with the highest remaining bid will be designated the Apparent Highest 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 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 and Withdrawal of Bids

- a. The lease will be awarded to the Highest Qualified Bidder. Upon the City's completion of review and approval of Apparent Highest Bidder's bid and submitted documents, the Highest Qualified Bidder and the City will execute the lease upon written notice from the City. A Bidder's failure to execute the lease within ten (10) business days from receipt of the aforesaid notice shall constitute a Default pursuant to Paragraph 11 above.
- b. The Apparent Highest Bidder may not withdraw its bid before the expiration of 60 days after the Date of Apparent Highest Bidder Identification; thereafter the Apparent Highest Bidder may withdraw its bid only in writing and in advance of lease execution.
- c. Unsuccessful Bidders may request the return of their Bid Deposit by written request to DCAS within 10 business days following commencement of the Post Auction Period. Requesting a return of the Bid Deposit during this time frame shall also constitute the withdrawal of such Bidder's bid for the applicable Property. **Bidders that do not request a return of the Bid Deposit during this time frame shall remain participants in the auction process and eligible to be awarded a lease in the event that the Apparent Highest Bidder is ineligible, defaults, or otherwise fails to execute a lease. In the event that an unsuccessful Bidder is not subsequently named the Apparent Highest Bidder, DCAS will return such Bidder's Bid Deposit after 180 days, such period being subject to extension in the sole discretion of the Deputy Commissioner.**
- d. The lease template may be viewed prior to the auction on the DCAS Real Estate Auctions Website by clicking the link for "Long Term Lease Agreement." Any applicable Special Terms and Conditions pertinent to a Property offering will be incorporated into the lease as a rider. (Please see Paragraph 9 above regarding

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Special Terms and Conditions.) The lease, including any applicable Special Terms and Conditions, will not be subject to negotiation or modifications.

- e. Until Bidder is in receipt of a fully executed lease, 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 Qualified Bidder. No bid shall be deemed accepted, and no rights shall accrue against the City, nor shall there be deemed a lease unless and until a fully executed lease 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 Apparent Highest Bidder will be responsible for a one-time auction fee in the amount of 5.25% of the Monthly Bid Rent, payable as indicated on the Property's Bidding Portal or as instructed on or about the Date of Apparent Highest Bidder Identification.

15. Broker's Commissions

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

16. Due Diligence

- a. Properties will be leased "as-is" and DCAS has made no representation with respect to the physical condition of the properties or the suitability of the properties for any specific use. 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 by certified mail, return receipt requested and/or by e-mail:
 - i. To the Apparent Highest Bidder: at the address and/or e-mail address provided by the Apparent Highest Bidder in the Bidding Portal;
 - ii. to the City (RES): Assistant Commissioner of Planning, Dispositions, and Property Management, New York City Department of Citywide Administrative Services, Real Estate Services, 1 Centre Street, 20th 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, 8:30 a.m. to 5:30 p.m., or visit online at nyc.gov/zoning. For information regarding EXACT zoning requirements, consult the New York City Zoning Resolution, by visiting 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 auction materials provided by DCAS 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](#).

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RESIDENTIAL DISTRICTS: Permitted Uses

District	Uses	Permitted Use Groups
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

District	Uses	Permitted Use Groups
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

District	Uses	Permitted Use Groups
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 Real Estate Auctions Website from Tuesday March 4, 2025 at 9:00 AM until Monday March 10, 2025 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) 386-0622.

2. MAY I BID ON MORE THAN ONE PROPERTY?

Yes. Provided each bid is accompanied by the required forms and deposits, Bidders may bid on as many Properties as they 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 standard Long-Term Lease form on the DCAS Real Estate Auctions Website by clicking the link for "Long Term Lease Agreement." Any Special Terms and Conditions will be incorporated into the applicable document to form a complete lease. **THE LONG-TERM LEASE IS A LEGAL DOCUMENT; IT IS STRONGLY URGED THAT BIDDERS CONSULT A LAWYER IN REVIEWING THIS DOCUMENT, WHICH IS NOT SUBJECT TO NEGOTIATION.**

4. IS THE LEASE DOCUMENT SUBJECT TO NEGOTIATION?

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

5. IF THERE ARE NO BIDDERS ON A PROPERTY AT THIS AUCTION, WILL THE PROPERTY COME UP FOR AUCTION AGAIN?

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

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

There are several distinct deposits:

- Bid Deposit: a refundable deposit of \$2,500, payable as indicated on each Property's Bidding Portal.
- Security Deposit: a deposit in the amount of three times the Monthly Bid Rent for Long-Term Leases, payable by the Apparent Highest Bidder only, by certified check, cashier's check, or bank or postal money order, after the Apparent Highest Bidder has been identified.

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

7. ARE ANY OTHER PAYMENTS REQUIRED DURING THE AUCTION PROCESS?

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

FREQUENTLY ASKED QUESTIONS

8. 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.

9. 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 Property's offerings.

10. WHAT TYPE OF FINANCIAL STATEMENT MUST I SUBMIT?

You or your guarantor must submit a current Financial 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.

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

Only upon receipt of a fully executed lease.

12. DO I NEED TO USE A BROKER TO BID?

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

13. WHAT IS AN INTERIOR LOT?

An interior lot means there is no direct access from any mapped street to the subject Property. Bidders are advised to determine whether they will have access to the lot; the City makes no representations in this regard. (Please note that this definition differs from the Zoning Resolution definition of "interior lot".)

14. IF I AM AN EXISTING TENANT ON A CITY PROPERTY 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 Property.

15. IF I ENTER INTO A LEASE PURSUANT TO THIS AUCTION, WILL MY SECURITY DEPOSIT BEAR INTEREST?

No. Once the lease 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, it is returned after you vacate the premises and your account is terminated.

FREQUENTLY ASKED QUESTIONS

16. HOW DO I GAIN ACCESS TO THE PROPERTY ON WHICH I AM INTERESTED IN BIDDING?

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

17. WHAT DOES "AS OF RIGHT" USE MEAN?

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

18. 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." 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.

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

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](#). 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.

20. HOW DO I KNOW WHAT THE INSURANCE REQUIREMENT AMOUNTS WILL BE FOR MY LEASE?

Unless specifically stated in the Property description on the DCAS Real Estate Auctions Website, insurance requirement amounts are stated in the lease for the applicable Property. For further information on leases see Frequently Asked Questions 3 and 4 above.