

FOR
RENT
AUCTION

LEASE AUCTION

May 6, 2011



Department of
Housing Preservation
& Development

MICHAEL R. BLOOMBERG, MAYOR
MATHEW M. WAMBUA, COMMISSIONER
nyc.gov/hpd

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NOTICE

The New York City Department of Housing Preservation and Development (HPD) is soliciting sealed bids in a lease auction of Vacant Lots located in Brooklyn. The location, size and description of the lots are included herein. The lease term offered is a month to month net lease. The minimum upset bid for rent is listed within.

Prospective bidders may inspect a sample lease at the office of the Director of Urban Renewal and Property Management Services, HPD, 100 Gold Street, Room 7-V5, New York, NY, 10038 during normal business hours. For additional information, please call (212) 863-7329. Physical inspection of the available properties will be held as follows:

<u>DATE</u>	<u>TIME</u>	<u>ADDRESS</u>
Friday, April 29, 2011	9:00-10:30 AM	1911-1923 Atlantic Avenue
Friday, April 29, 2011	11:30 AM-1:00 PM	1652 Eastern Parkway
Monday, May 2, 2011	9:00-10:30 AM	25-35 Chester Street
Monday, May 2, 2011	11:30 AM-1:00 PM	512-522 Rockaway Avenue
Tuesday, May 3, 2011	9:00-10:30 AM	536 Blake Avenue
Tuesday, May 3, 2011	11:30 AM-1:00 PM	93-103 New Lots Avenue

All prospective bidders are strongly urged to inspect the properties prior to bid submission.

The lease auction will be conducted on Friday, May 6, 2011 at 100 Gold Street, New York, NY 10038, First Floor. All bids must be submitted no later than 12 Noon on Wednesday, May 4, 2011. All bids must be submitted on the form in the bid package which may be picked up at the above address.

Michael R. Bloomberg, Mayor
Mathew M. Wambua, Commissioner

FREQUENTLY ASKED QUESTIONS

Q. How long is the term of lease?

A. Month to Month

Q. Do I get interest on my security deposit?

A. No

Q. Can a property be rented to a partnership or corporation?

A. Yes

Q. Will my rent be increased?

A. The City performs an appraisal on the property approximately once a year and restructures the rent according to fair market value.

Q. Is the business permitted to place an identification sign above the property?

A. Yes. Prior approval of design by HPD is required.

Q. Am I required to obtain operating licenses and permits?

A. It is the tenant's responsibility to obtain all licenses and permits.

Q. What happens in the event of a tie between two or more bidders?

A. In the event of a tie, the bidders will be asked to return to our office with new sealed bids. At that time, the bids will be opened and a winner declared.

Q. What if I am the successful bidder and I am unable to execute the lease or I don't want the property?

A. The City will retain your security deposit or your first month's rent as liquidated damages.

If you wish to obtain additional information or information in Spanish, please contact HPD at (212) 863-7329

NOTE: No changes will be allowed on the auctioned sites without the written consent and approval of the Assistant Commissioner of the Division of Property Management of the Department of Housing Preservation and Development.

P. ¿Cuanto tiempo cubre el arrendamiento?

R. Mes a mes.

P. ¿Gano interés en mi deposito de seguridad inicial?

R. No

P. ¿Se puede alquilar una tienda a un consorcio o a una corporación?

R. Sí

P. ¿Aumentará mi alquiler?

R. La ciudad realiza una valoración de la propiedad aproximadamente una vez al año y reestructura la cantidad de alquiler a pagar según el valor justo del mercado.

P. ¿Se permite al negocio tener un letrero de identificación sobre la tienda?

R. Sí. El diseño debe ser aprobado primero por HPD

P. ¿Debo obtener licencias de operador y permisos?

R. Es la responsabilidad del inquilino de obtener todas las licencias y permisos.

P. ¿Que sucede en caso de un empate entre dos postores?

R. En caso de un empate, se le pedirá a los postores que vuelvan a nuestra oficina con una nueva oferta sellada. En ese momento, las ofertas serán abiertas y un ganador será anunciado.

P. ¿Que sucede si el postor ganador no puedo firmar el arrendamiento o no quiere la propiedad?

R. La ciudad se queda con su deposito de seguridad o su alquiler del primer mes como daños liquidados.

Si desea obtener información adicional o información en español, favor de ponerse en contacto con la de HPD al (212) 863-7329.

OJO: No se permitirán cambios en los locales conseguidos a traves de la subasta sin que se adquiriera el consentimiento por escrito y la aprobación del subcomisionado de la División del Departamento de Preservación y Desarrollo de Vivienda.

ZONING INFORMATION

The zoning information provided is intended for general reference only. To understand the uses permitted on a specific site you are urged to consult with a Registered Architect or Professional Engineer. General information is available from the New York City Department of City Planning or the New York City Department of Buildings.

LEASE OF CITY PROPERTY BY AUCTION

I. PUBLIC NOTICE

PUBLIC NOTICE IS HEREBY GIVEN THAT the Deputy Commissioner of the Office of Asset and Property Management (“APM”) of the Department Housing Preservation and Development (“HPD”) of the City of New York (“City”) will conduct an opening of sealed bids (“Lease Auction”) for the rental of the described commercial properties.

LOCATION: 100 Gold Street, Manhattan
Room 1R
DATE: Friday, May 6, 2011
TIME: Sealed bid opening commences promptly at 12:00 noon.

II. AUCTION PROCEDURE FOR SEALED BID COMMERCIAL SPACES

Bids submitted by mail must be mailed to:

HPD Urban Renewal/Property Management Services
100 Gold Street, Room 7V-5
New York, NY 10038
Attention: Director

All bids submitted by mail must be received by 5:00 PM on the day preceding the Lease Auction. Bids submitted by personal delivery may be submitted up to 5:00 PM on the day preceding the Lease Auction at the address set forth above for the mailing of bids. HPD will accept bids from 9:00 AM to 12:00 PM on the date and at the place of the Lease Auction. Under no circumstances will any bids be accepted after 12:00 PM of Auction day. Each bid must be in a sealed envelope marked with your name with “BID” written on the envelope front. The envelope must contain:

1. A completed BID form.
2. A separate certified check, bank check, or money order, in the amount of one (1) month’s bid rent, payable to “Commissioner of Finance,” to be deposited as the first month’s rent.

NOTE: The checks of unsuccessful bidders will be returned in a timely fashion.

III. SUMMARY OF AUCTION TERM AND CONDITIONS

The bid package which includes both general information and specific procedures, terms and conditions pertaining to this Lease Auction, is available for public inspection at 100 Gold Street, 7th floor – Room 7V-5, New York, NY on weekdays between the hours of 9:00 AM and 5:00 PM. Some of the important points are highlighted below:

1. The lease for a property will be awarded to the highest responsible bidder.
2. In the event of a tie between two or more bidders, the bidders will be asked to return to HPD’s office as soon as feasible with new sealed bids. At that time, the bids will be opened and a winner declared.

3. HPD reserves the right to withdraw the Commercial Space prior to the date and time of the bid opening.
4. HPD reserves the right to reject any and all bids if to do so is deemed to be in the best interest of the City.
5. Within ten (10) days after bid opening, the high bidder must complete the Disclosure Statement and Bank Release Form and submit them to HPD’s Urban Renewal and Property Management Services Unit together with copies of all tax returns filed with the City and State of New York during the last three (3) years preceding submission of the bid, and documentation to support the bidder’s capacity to perform required repairs.
6. Prior to execution of a lease, the bidder will be required to submit a certified check, bank check, or money order, in the amount of two (2) month’s bid rent, payable to “Comptroller of the City of New York,” to be deposited as security and to reimburse the City for the cost of a credit report.
7. The successful bidder must execute the lease upon acceptance by the City. The term of the lease and the monthly bid rent will not commence until possession of the Commercial Space is given or is available. In the event that the City cannot give possession in a timely fashion, its sole liability will be the return of any deposits submitted by the successful bidder.
8. No bid will be deemed accepted, no right to occupancy will be granted, and no rights will accrue against the City of New York, nor will a lease be deemed valid unless and until the lease is fully executed by the bidder and by the Assistant Commissioner of HPD’s Division of Property Management (“DPM”).
9. Commercial Spaces must be used in conformance with zoning regulations and all other applicable laws and regulations.
10. The following uses are expressly prohibited and apply to all Commercial Spaces: arcades, slot machines, game rooms, billiard halls, gun sales, repair shops, tire shops, distributors of pornographic material, physical culture establishments of any kind, discotheques or cabarets, or any other similar establishments.

LEASE OF CITY PROPERTY BY AUCTION

11. No brokerage or other commissions are payable as a result of the Lease Auction.
12. Pursuant to amended Section 2604 of the New York City Charter, most City employees are eligible to purchase or lease real property at auction or sealed bid sales. However, the following persons still may not bid on or purchase property: elected officials; employees in the Office of Asset and Property Management of the Department of Housing Preservation and Development (HPD); employees in the Department of Citywide Administrative Services (DCAS); Commissioners; Deputy Commissioners; Assistant Commissioners; and others of equivalent rank in such departments or the successors to such departments; and any officer or employee who has participated in decisions or matters affecting the disposition of the City property to be purchased or leased or has such matters under active consideration.
13. No bidders or prospective lessees may engage in bid rigging practices. This shall include but is not limited to family members or business associates bidding against each other to arrange or fix a low bid lease. In the event HPD determines that there has been improper bidding of any kind, HPD shall take whatever steps necessary to void the bids, disqualify the bidder, or any other remedy HPD determines to be just and proper. For purposes of this section, prospective lessee or bidder includes, but is not limited to the following: in the case of an individual, the bidder, his/her spouse as well as immediate family members; in the case of two or more individuals who bid jointly for the same property, the bidders, their spouses and immediate family members; or in the case of a business or corporate bidder, the bidder, its principals and their spouses.
14. The successful bidder must execute a Bidder Declaration (see attached form) immediately after the winning bid is announced.
15. A prospective lessee, whose bid has been accepted by HPD, shall be required to execute a written lease in a form provided by HPD, within thirty (30) days from the auction date. This period may be extended at the option of HPD. In the event the prospective lessee fails to execute a lease within the thirty (30) day or extended period, said lessee shall be deemed disqualified and any deposit paid shall be retained by HPD as liquidated damages.
16. All bidders are advised that bribery is a criminal offense punishable by fine and/or imprisonment as a Class D felony. Anyone attempting to bribe an HPD or City employee or any HPD or City employee who solicits a bribe shall be prosecuted to the extent of the law.

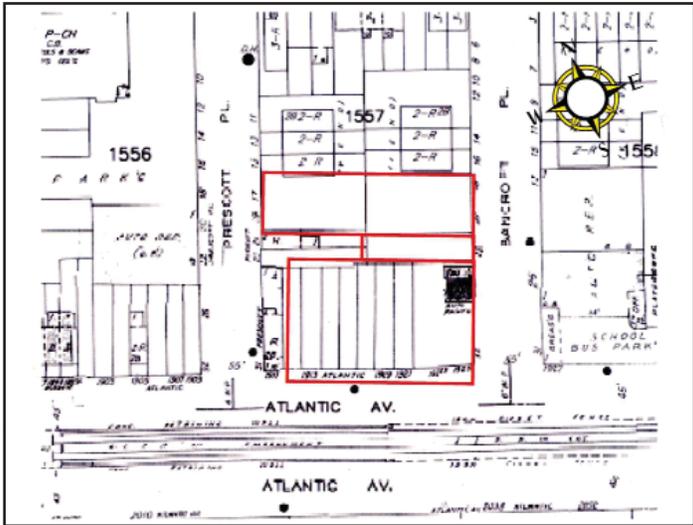
IV. SUMMARY OF LEASE TERMS AND CONDITIONS

1. The term of the lease will be a month-to-month.
2. The standard lease is available for inspection at 100 Gold Street, 7th Floor, Room 7V-5, New York, NY 10038.
3. The tenant accepts the Commercial Space in “as is” condition.
4. All rent will be payable in equal monthly installments in advance. The tenant will also pay, where applicable, all utility charges and sewer rents and shall provide its own heat, hot water, air conditioning, cleaning and maintenance.
 - A) The tenant will hold the City harmless from all claims resulting from its use or the property, including claims owing to the current or future conditions of the premises. The tenant must, at its sole cost and expense during occupancy, procure Comprehensive General Liability Insurance with combined single limit of not less than \$2,000,000.00 per accident for bodily injury, personal injury and property damage. Coverage shall be written on Accord 25-S form and shall include, but not be limited to, the following endorsements:
 - i. Premises leased or used by the bidder;
 - ii. Endorsement naming the City, its officers, officials, employees as an insured.
 - B) The above described policy shall contain, by rider Annexed to such policy, the following provisions:
 - i. **Notice of Accident or Claim.** Notice of accident shall be given to the insurer (the “Company”) within sixty (60) days after notice to the Commissioner of the Department of Housing Preservation and Development (“HPD”) of the City of New York of such accident. Notice of claim shall be given to the Company within sixty (60) days after such claim shall have been filed with the Comptroller of the City. Notice to the Company by either party shall be deemed sufficient notice to this policy. Notice to the Company by the Lessee securing this policy of an accident or claim on the Site shall constitute notice by the City to the Company.
 - ii. **Notice of Cancellation of Policy.** This shall not be cancelled, terminated, allowed to expire, modified, or amended by the Company unless sixty (60) days prior written notice is sent to the City by registered mail and addressed to HPD, Assistant Commissioner, Division of Property Management, 100 Gold Street, New York, NY, 10038, nor shall it be cancelled, terminated, allowed to expire, modified or amended by the Lessee securing this policy without the prior written consent of said Assistant Commissioner.

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- C) The aforesaid policy shall name the City as an insured and shall be purchased from a carrier which is:
- i. licensed to do business in New York State, and
 - ii. rated not less than "A" by Best's Rating Guide.
- D) The tenant shall furnish the City with a certificate of insurance for the aforesaid policy signed by a person authorized by the insurer to bind coverage on its behalf.
5. The tenant will not be permitted to assign or sublease the Commercial Space without the prior written consent of the City.
 6. All monies paid by the successful bidder will be retained by the City of New York as liquidated damages in the event that the successful bidder fails, within ten (10) days to execute the lease for the premises after notice to do so. No bidder (including principals, corporation or subsidiaries of such) will be accepted as a tenant who is in arrears or in default upon any debt, contract or obligation to the City of New York. If the successful bidder is found to be in default, such bidder will be disqualified and all monies paid by such bidder will be retained by the City of New York as liquidated damages for the failed bid. In view of the difficulty of accurately ascertaining the loss which the City will suffer by reason of the bidder's default, the above-stated sum is hereby agreed to be the liquidated damages that the City and the bidder will suffer by reason of such default and not as a penalty. In the event the City of New York cannot give possession in a timely fashion, its sole liability will be the return of any deposits submitted by the successful bidder.
 7. Tenant's obligation to surrender possession either at the expiration of the lease or upon the earlier termination resulting from the City's exercise of its right to recapture the property must be personally guaranteed by an individual satisfactory to the City; provided, however that the City will have the sole and absolute right to either waive such personal guarantee in the case of a responsible bidder and/or to require a performance bond, letter of credit, or such other and further security as the City may require, or any combination thereof.
 8. In the event that the tenant fails to surrender possession either at the expiration of the lease or upon the City's exercise of its right to recapture the property, the tenant will be required to pay the City each month, in escrow, an amount equal to the highest bid for a lease for the property at a subsequent auction, whichever is greater, such funds to be applied to tenant's liability for use and occupancy and/or damages, as the same shall be judicially determined.
 9. The tenant will waive all rights of relocation or other compensation.
 10. All improvements made by tenant will become the property of the City unless, at the City's sole option, tenant is directed to remove same at the expiration of the lease.
 11. Tenant shall, at tenant's expense, comply with all provisions of the Americans with Disabilities Act of 1990, 36 CFR Part 1191.
 12. The City, its employees and its agents will have the right to enter upon the Commercial Space at all reasonable times and in the event of emergencies, at any hour during the term of the lease, for any purpose connected with the City's rights, duties, or responsibilities under the lease and for all lawful purposes.
 13. The tenant must comply with all governmental laws, ordinances, rules and regulations and must secure all required permits and licenses.

1911 - 1923 Atlantic Avenue, Brooklyn
 Block: 1557 Lots: 3, 4, 23, 26, 28, 31-37

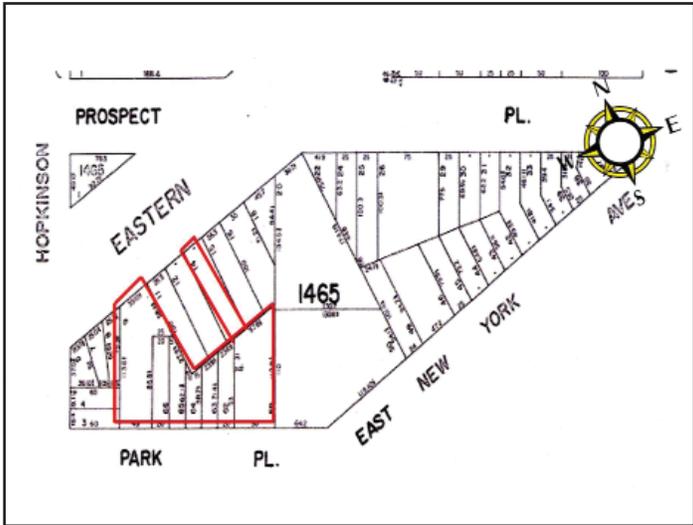


Parcel No. 1

Location/Property Type: 4 continuous lots consisting of frontage on three streets (Atlantic Ave, Bancroft & Prescott Place).

Lot Size	25,762 Sq. Ft.
Lot Dimensions	188' x 167' irregular
Zoning Classification	MI-1
Lease Term	11 Mos.
Minimum Upset Price	\$5,833.33

1652 Eastern Parkway, Brooklyn
Block: 1465 Lots: 9, 14, 59, 62, 63, 64, 65, 66

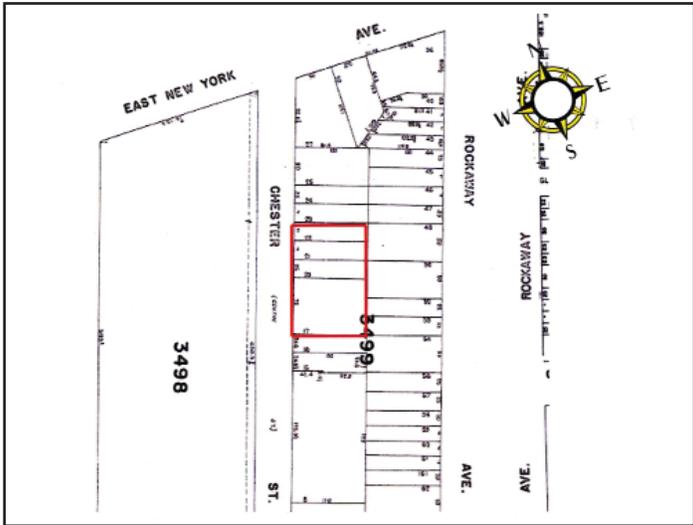


Parcel No. 2

Location/Property Type: 8 continuous lots with frontage on two streets (Eastern Parkway & Park Place).

Lot Size	19, 038 Sq. Ft.
Lot Dimensions	113' x 190' irregular
Zoning Classification	C8-2
Lease Term	11 Mos.
Minimum Upset Price	\$375.00

27-35 Chester Street, Brooklyn
Block: 3499 Lots: 17, 20, 21, 22

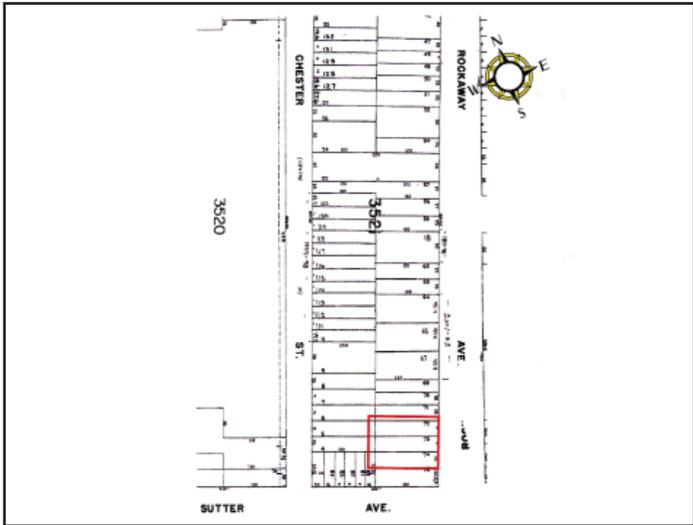


Parcel No. 3

Location/Property Type: comprised of 4 continuous tax lots with frontage on Chester Street.

Lot Size	15,000 Sq. Ft.
Lot Dimensions	150' x 100' regular
Zoning Classification	C4-3
Lease Term	11 Mos.
Minimum Upset Price	\$2,833.33

512 - 522 Rockaway Avenue, Brooklyn
Block: 3521 Lots: 72, 73, 74



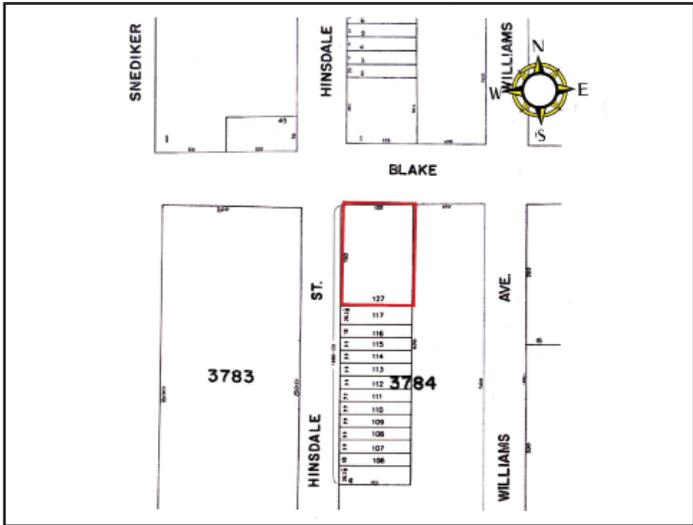
Parcel No. 4

Location/Property Type: comprised of 3 continuous tax lots with frontage on Rockaway Avenue.

Lot Size	7,500 Sq. Ft.
Lot Dimensions	75' x 100'
Zoning Classification	C4-3
Lease Term	11 Mos.
Minimum Upset Price	\$1,416.67

536 Blake Avenue, Brooklyn

Block: 3784 Lot: 127

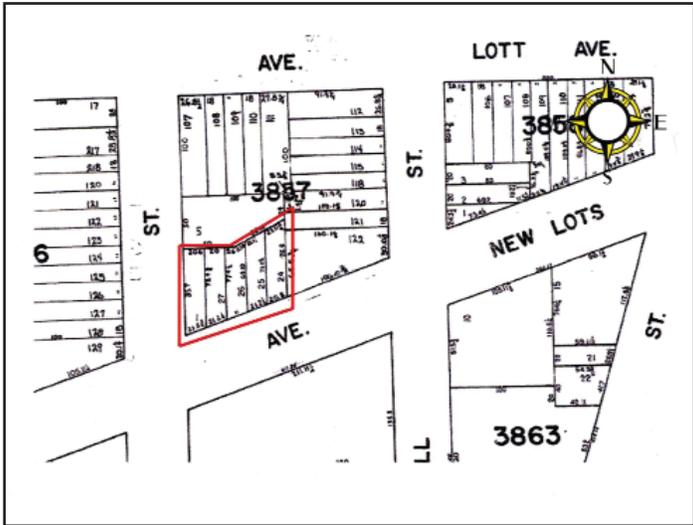


Parcel No. 5

Location/Property Type: comprised of a single tax lot with on two streets (Blake Avenue & Hinsdale Street).

Lot Size	15,000 Sq. Ft.
Lot Dimensions	150' x 100' regular
Zoning Classification	R6/C2-3
Lease Term	11 Mos.
Minimum Upset Price	\$941.67

93-103 New Lots Avenue, Brooklyn
Block: 3857 Lot: 1, 24, 25, 26, 27



Parcel No. 6

Location/Property Type: comprised of a 5 continuous tax lots with on two streets (New Lots Avenue & Sackman Street).

Lot Size	7,879 Sq. Ft.
Lot Dimensions	85' x 105' irregular
Zoning Classification	R6/C2-3
Lease Term	11 Mos.
Minimum Upset Price	\$566.67

1. Inspect the property on the inspection date indicated.
2. Read the Terms and Conditions of the auction and Summary of Terms and Conditions of the lease in the brochure. Copies of a sample lease are available upon request from the Urban Renewal/Property Management Services Unit.
3. Attach to the Bid Form either a certified check, bank check or money order in the amount of one month's bid rent made payable to the "Commissioner of Finance."
4. Fill out the bid envelope. Write "Bid" on the front.
5. To submit your bid, you may either:
 - a. Mail your bid to:
Director, Urban Renewal/Property Management Services
Department of Housing Preservation and Development
100 Gold Street, Room 7V-5
New York, NY 10038

Bids submitted by mail must be received no later than 5 PM on the day before the auction.
 - b. Deliver it personally to 100 Gold Street, 7th Floor, Room 7V-5, before the date of the auction; or
 - c. Submit your bid at the auction **before the noon deadline.**
6. If your bid is the winning **Bid** for a property, you will be directed to pick up and fill out a Bidder's Declaration and a Disclosure Statement. You are expected to execute a lease.

COMO HACER UNA OFERTA

1. Inspeccione la propiedad en las fechas de inspección indicadas.
2. Lea los Términos y Condiciones de la subasta y el Resumen de Términos y Condiciones del contrato de Arrendamiento en el folleto. Hay copias disponibles del modelo de un contrato en el (Unidad de Arrendamiento Comercial).
3. Adjunte al Formulario de Oferta un cheque certificado, o un cheque de banco ó un giro postal pagable al "*Commissioner of Finance*" por la cantidad de un mes de arrendamiento que le corresponde a la propiedad que a usted le interesa.
4. Llene el sobre de oferta. Escriba "*Bid*" en el frente.
5. Para someter su oferta, usted puede:
 - a. Envíe su oferta por correo a:
Director, Urban Renewal/Property Management Services
Department of Housing Preservation and Development
100 Gold Street, Room 7V-5
New York, NY 10038
 - b. Llevarlo personalmente a 100 Gold Street, cuarto 7V-5, antes de la Fecha de la subasta; ó
 - c. Someter su oferta en la subasta **antes de las 12:00 P.M.**
6. Si su oferta es la oferta ganadora para una propiedad, se le dará instrucciones para llenar una Declaración de Oferta y una Declaración de Finanzas. Usted tendrá que ejecutar un contrato de arrendamiento.

BID FORM

I, _____, hereby offer my bid as follows:
(Your Name) (Su Nombre)

(a) Commercial Space know as _____

(b) Bid Amount/Monthly Rent _____ dollars*
(In Words) (Escrito en Palabras)

\$ _____
(In Numbers) (Escrito en Números)

(c) My business in this space will be: *(CHECK ONE)*

_____ Parking Lot

This bid is a firm offer for a period of ninety (90) days.

This bid is subject to the terms and conditions of the Bidder Declaration as set forth in the auction brochure as well as the terms and conditions of the auction.

Bidder Name _____

Address _____

Home Phone () _____ Cell Phone () _____ Business Phone () _____

Social Security No.: _____ Business I.D. No.: _____

By: _____
(Signature of Partner, Individual, or Corporate Officer)

*In case of discrepancy between the price offered in words and the price in figures, the price in words will be considered the bid price.

ATTACH EITHER CERTIFIED CHECK, BANK CHECK OR MONEY ORDER IN THE BID AMOUNT PAYABLE TO THE "COMMISSIONER OF FINANCE."

WINNING BIDDER DECLARATION

ACKNOWLEDGEMENT OF PRINCIPAL, IF AN INDIVIDUAL

STATE OF NEW YORK)
) S.S.:
COUNTY OF)

On this ____ day of _____, 20__, before me personally appeared, _____,
known by me to be the person described in and who executed the foregoing instrument, who acknowledged that (s)he executed the
same and the foregoing bid document and knows the content thereof and that the same is true to his/her knowledge.

Notary Public

ACKNOWLEDGEMENT OF PRINCIPAL, IF A CORPORATION

STATE OF NEW YORK)
) S.S.:
COUNTY OF)

On this ____, day of _____, 20__, before me personally appeared who, being duly sworn by me, did depose and say that
(s)he resides at _____ and that (s)he is the _____
of _____, the corporation described in and which
executed the foregoing instrument; that (s)he knows the seal of said corporation; that one of the seals affixed to said instrument is such
seal, that it was so affixed by order of directors of said corporation, and that (s)he signed his/her name thereto by like order; and that
(s)he has read the foregoing bid documents and knows the content thereof and that the same is true to his/her knowledge.

Notary Public

ACKNOWLEDGEMENT OF PRINCIPAL, IF A PARTNERSHIP

STATE OF NEW YORK)
) S.S.:
COUNTY OF)

On this __, day of __, 20____, before me personally appeared, the principal of the partnership described in and which executed the
foregoing instrument; who acknowledge to me that (s)he executed the same as the act and deed of said firm; and that (s)he has read the
foregoing bid document and knows the content thereof and that the same is true to his/her knowledge.

Notary Public

