



CALIFORNIA DEPARTMENT OF TRANSPORTATION



AUCTION

NOTICE OF INVITATION TO BID FOR LEASING OF CALTRANS FREEWAY LEASE AREAS

Thursday, October 6, 2016

STATE OF CALIFORNIA

California Department of Transportation—District 7

100 S. Main Street

Los Angeles, CA 90012



CALIFORNIA DEPARTMENT OF TRANSPORTATION

**NOTICE OF INVITATION TO BID FOR LEASING
OF STATE-OWNED FREEWAY LEASE AREAS**

OCTOBER 6, 2016

ORAL BIDS WILL BE ACCEPTED BY THE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION, DISTRICT 7, IN CONFERENCE ROOM 01.040A ON THE FIRST FLOOR, AT 100 S. MAIN STREET, LOS ANGELES, CALIFORNIA, ON THURSDAY, OCTOBER 6, 2013 AT 11:00 A.M. SHARP FOR THE PURPOSE OF LEASING PROPERTIES SHOWN ON PAGE 8 OF THIS PACKAGE. **BIDDER REGISTRATION BEGINS AT 10:00 A.M. AND ENDS PROMPTLY AT 10:59 A.M.**

PLEASE PROVIDE AMPLE TIME TO FIND PARKING, SINCE THERE WILL BE **NO** PARKING AVAILABLE AT THE AUCTION SITE. ADDITIONAL TIME SHOULD ALSO BE ALLOTTED TO OBTAIN A VISITOR'S BADGE BEFORE ENTERING THE ROOM WHERE THE AUCTION REGISTRATION AND BIDDING WILL TAKE PLACE.

ORAL BID AUCTION

THOSE WISHING TO PARTICIPATE IN THE AUCTION MUST ARRIVE PRIOR TO BIDDING TO REGISTER. ALL PARTICIPANTS (INCLUDING PRESENT TENANTS) MUST BRING A CASHIER'S CHECK FOR EACH PARCEL BID UPON IN THE AMOUNT OF THE INDICATED BID DEPOSIT AND A COMPLETED "**BIDDER INFORMATION SHEET**" (PAGE 4) TO THE AUCTION. CASHIER'S CHECKS WILL BE INSPECTED PRIOR TO BIDDING. BIDDER INFORMATION SHEETS WILL BE COLLECTED PRIOR TO BIDDING.

FOR FURTHER INFORMATION

Please visit our website:

www.dot.ca.gov/property/

or

You may contact our Right of Way Airspace Agents:

Barbara Lin @ (213) 897-1760 Email: barbara_lin@dot.ca.gov
Gary George @ (213) 897-3281 Email: gary_george@dot.ca.gov

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LIST OF PACELS TO BE AUCTIONED AND THEIR LOCATIONS:

- 1. LAX010-0012 – 1950 14th Street, Downtown Los Angeles**
- 2. LAX010-0018 – 1530 Compton Ave, Downtown Los Angeles**
- 3. LAX010-0042 – 1750 Grand Ave, Downtown Los Angeles**
- 4. LAX010-0060 – 1422 Wright St, Downtown Los Angeles**
- 5. LAX010-0065 – 1823 Oak St, Downtown Los Angeles**
- 6. LAX010-0112 – S/W Olympic Blvd & 10th St, Santa Monica**
- 7. LAX010-0126 – W. of Toberman, N. of Washington Blvd, Downtown Los Angeles**
- 8. LAX090-0011 – SW of Selmaraine Dr, Culver City**

BIDDER INFORMATION SHEET
FOR ORAL BID AUCTION PARTICIPANTS

BIDDER'S NAME: _____

ADDRESS: _____

TELEPHONE: () _____ - _____ CELL PHONE: () _____ - _____ Email Address: - _____

ARE YOU BIDDING ON BEHALF OF A BUSINESS: YES [] NO []

IF YES, NAME OF BUSINESS: _____

I HEREBY CERTIFY THE ABOVE INFORMATION IS CORRECT:

Signature Date: _____

The above information must be provided in full and submitted prior to the beginning of the oral bid auction. **Bids will not be accepted without this form.**

PARCEL(S) # to be bid on:

Cashier's Check #:

BIDDER NUMBER: _____ (to be completed by Caltrans when presented by bidder on the day of the auction)

GENERAL BID PROCEDURES

1. **The successful bidder must provide a completed and signed Non-Residential Lease Application within (5) working days from date of auction.** Should Caltrans determine that any of the statements, representations or certifications contained on said Non-Residential Lease Application are incorrect, false or misleading, the successful bidder will be given (5) five working days to rectify any deficiencies. If the successful bidder fails to rectify any deficiencies, the successful bidder's bid may be rejected and will result in forfeiture of the entire amount of the successful bidder's bid deposit, which may be retained as liquidated damages.
2. No bid shall be accepted which is less than the minimum monthly bid as shown on page 8 in this package.
3. Caltrans reserves the right to refuse any or all bids and to make reasonable changes to the terms of the Oral Bid Auction prior to the bidding process.
4. Caltrans reserves the right to change the bidding increments at our discretion.
5. **Bid Deposit:** Each winning bid must be accompanied by a bid deposit in the form of a certified or cashier's check payable to **State of California** or **California Department of Transportation**. A Public Agency shall have the option of submitting the required rental and security deposit following its Board Approval of the State's Standard Lease Form.
6. **Deposits and First Month's Rent:** The successful *bidder* shall present a certified or cashier's check in the amount equal to the difference between the bid deposit and the security deposit not later than **fifteen (15) days** prior to the commencement date of the lease. **Bid deposit is defined as the minimum bid amount plus \$1,000.00. Security deposit is defined as the winning bid amount plus \$1,000.00. Please see page 9 for the minimum bid amount for each parcel to be auctioned.** In addition, *Lessee* will present a certified or cashier's check for the first months rent not later than **fifteen (15) days** prior to the commencement date of the lease. This check should be delivered or mailed directly to the following address:

California Department of Transportation, District 7
Office of Right of Way Airspace Development Branch - MS-6
Attn: C. Paul LaMond, Chief
100 S. Main Street, MS-6
Los Angeles, CA, 90012.

Failure to pay by the date indicated may result in forfeiture of the bid deposit, which may be kept by Caltrans as liquidated damages.

7. The airspace property is being leased in an "as is" condition.
8. Successful bidders are to utilize only the designated area as specified on the attached parcel map and further referenced in their lease.
9. Regarding current or former tenants or subtenants: All must be current in rental or lease payments and in good standing under any lease or rental agreement with Caltrans. Caltrans may refuse to accept any bid from a current or former tenant who is delinquent in rental or lease payments, or had been in breach at any time during the term of the current lease.
10. Failure of the successful bidder to execute the appropriate Caltrans lease for any reason will be considered a *default* by Caltrans and may result in the forfeiture of the entire bid deposit which may be kept by Caltrans as liquidated damages.

GENERAL DISCLAIMERS

All properties are being leased as parking lots for operable wheeled vehicles and open storage only. Other uses will be considered if they are appropriate for the area in which they are located. All uses must be approved by the Landlord and local jurisdiction.

1. All bidders agree to all terms and conditions in the Standard Parking and Open Storage Lease. If you have questions as to whether your proposed use falls within these guidelines, please call the phone numbers listed on the first page.
2. The premises shall be used exclusively for the purposes of parking operable wheeled vehicles and open storage only. Other uses will be considered if they are appropriate for the area in which they are located. All other use must be approved by the Landlord and local jurisdiction.
3. Parking of wrecked or inoperable vehicles shall not be permitted.
4. There shall be no operation of facilities for a gasoline supply station. Vehicles used for gasoline or petroleum transportation shall not be permitted on the premises. No bulk storage of gasoline or petroleum shall be authorized.
5. The lessee shall make no improvements or alterations of any kind, to the premises without prior approval from the Landlord.
6. The lessee shall pay all taxes and assessments that may be legally assessed on the Lessee's possessory interest or any improvements or equipment placed on the premises by the Lessee during the tenancy. Payment for all utilities is the responsibility of the Lessee.
7. A maximum of two signs which are no greater than 30 SF of surface area may be erected on the premises upon written approval by the State.
8. No vending or sales of any kind shall be allowed on the premises unless approved by the Landlord.
9. A high standard of cleanliness of the premises shall be required and at the Lessee's expense.
10. The Lessee's use of the premises shall comply with all Federal, State and local law, and at the Lessee's expense.
11. The maintenance of the premises including driveways, fences and guardrails shall be at Lessee's expense. The Lessee shall be responsible for repair to piers, columns, and column protection of the viaduct structure, which may be damaged incident to the Lessee's use of the premises.
12. The Lessee at his expense shall keep in force Public Liability and Property Damage Insurance with a company or companies approved by the State during the term of the lease. The Minimum Limits of Liability are \$ 5,000,000 per occurrence (CSL) for bodily injury and property damage liability combined. The State must be listed as an additional insured. The Certificate of Insurance must also identify the freeway lease area number. (For More Specific Information see the next Section titled "Insurance Information Sheet")
13. The Lessee shall not assign, sublet, or otherwise transfer the lease without prior written approval by the State and the concurrence of the Federal Highway Administration.

14. Also no assigning, transfers, or subleasing can take place under any circumstances within the first six months of the lease term.
15. If the Lessee assigns, transfers, or subleases the site after the six month period, the Lessee shall pay the Landlord compensation in connection with the transaction in an amount equal to fifty percent (50 %) of any and all consideration, whether in present payments or future payments, which tenant receives from an (the) assignee(s), transferee(s) or subtenant(s) in excess of the amount of rent the Lessee is obligated to pay to the Landlord under the lease.
16. The Landlord reserves a Right of Entry for necessary protection, maintenance, reconstruction, and operation of the freeway structures and appurtenances.
17. The Lessee agrees to comply with the Federal Civil Right Acts of 1964.
18. If trucks are to occupy, the successful bidder (Lessee) shall be required to provide freeway column protection according to Department of Transportation's specifications for those airspace sites which are for other than automobile parking at the successful bidders own cost.
19. Storage of combustibles on the leased grounds, including wood pallets, shall not be permitted.
20. Re-Bidding on lots: When a lessee submits a 90-day notice to vacate and gives up a property, the lesser shall not be permitted to bid on the same property next time it is put up for auction.
21. Security Deposit: The State may hold from *Lessee* an amount equal to **\$1,000** plus one month's rent as security deposit. Please note that the State does not characterize any portion of this deposit as "last month's rent". In the event of *DEFAULT* on parcels, *liquidated damages may be equal to the entire bid deposit of the minimum bid and may be kept as the default fee.*
22. Special Clauses notwithstanding, either party shall have the right to cancel the lease upon (90) ninety days written notice, except that in the event of a national or other emergency, in which case the State shall have the right of immediate possession.
23. **Annual Adjustment to Rent:** All leases will be automatically increased 3% each year.

Maps

The maps attached to this announcement inviting bids are solely for reference as to locations. The areas shown on these maps are approximate and calculated as gross areas, unless otherwise indicated.

INSURANCE INFORMATION SHEET

PLEASE GIVE THIS FORM TO YOUR INSURANCE AGENT OR BROKER.

The lease with the State of California, Department of Transportation, requires evidence of satisfactory liability and/or fire insurance. This evidence of insurance must be provided by completing the Department's Certificate of Insurance Form (enclosed) and returning it to the Department. In completing this form, the following requirements must be met:

- A. The Lessee must be shown as Named Insured
- B. The State of California, its officer, agents and employees must be included as Additional Insured, but only insofar as operations under the lease are concerned.
- C. The Lessee at his expense shall keep in force Public Liability and Property Damage Insurance with a company or companies approved by the State during the term of the lease.
The State must be listed as an additional insured. The Certificate of Insurance must also identify the freeway lease area number.
- D. The Minimum Limits of Liability are \$5,000,000 per occurrence (CSL) for bodily injury and property damage liability combined.
- E. The insurer will not cancel or reduce the insured's coverage without 30 days prior written notice to the State.
- F. The State will not be responsible for the payment of any premiums or assessments.
- G. If the policy contains any clause excluding coverage as to property in the care, custody or control of the insured, such clause shall not apply with regard to any liability of the State of California, its officers, agents, or employees.
- H. Fire Insurance -The minimum limits of fire insurance coverage must be 100 percent of replacement value.

**PARCELS WITH PARKING AND OPEN STORAGE AGREEMENTS
FOR OCTOBER 6, 2016 AUCTION**

NO	PARCEL NUMBER	STREET ADDRESS	CITY	GROSS/NET SQUARE FOOTAGE	MINIMUM MONTHLY BID	BID DEPOSIT	SPECIAL REQUIREMENTS
1	LAX010-0012	1950 14th Street	LOS ANGELES	48,693 <i>(48,128 net of columns)</i>	\$7,700	\$8,700	See instructions on Page 4
2	LAX010-0018 (*)	1530 Compton Ave	LOS ANGELES	10,261	\$500	\$1,500	See instructions on Page 4
3	LAX010-0042	1750 Grand Ave	LOS ANGELES	54,421 <i>(54,006 net)</i>	\$16,000	\$17,000	See instructions on Page 4
4	LAX010-0060	1422 Wright St	LOS ANGELES	45,367 <i>(45,117 net)</i>	\$8,600	\$9,600	See instructions on Page 4
5	LAX010-0065	1823 Oak St	LOS ANGELES	6,288 <i>(6,165 net)</i>	\$500	\$1,500	See instructions on Page 4
6	LAX010-0112	S/W Olympic Blvd & 10th St	SANTA MONICA	5,200	\$2,900	\$3,900	See instructions on Page 4
7	LAX010-0126	W. of Toberman, N. of Washington Blvd	LOS ANGELES	39,627 <i>(39,376 net)</i>	\$9,000	\$10,000	See instructions on Page 4
8	LAX090-0011	SW of Selmaraine Dr	CULVER CITY	3,713 <i>(3,308 net)</i>	\$1,000	\$2,000	See instructions on Page 4

(*) Please see map on Page 12. Visual field review of parcel may make it appear larger than actual size.

All parcels will be available for occupancy by successful bidders on January 1, 2017. Occupancy and/or lease commencement date may change due to circumstances beyond Landlord's control.