



Property Management

September 3, 2020

Re: Memorandum response regarding the sealed bid process for parking spaces at 710 7th Street parking garage

Dear Potential Bidders:

We have received questions concerning the bidding process for parking spaces located at 710 7th Street, also known as the Lindeman Parking Garage, and wanted to make the answers available to everyone.

- 1) In the public notice that was published in the newspaper, it is stated that the “fair market value” is provided in the bid packet, but the notice states that, “All reasonable bids will be considered.” Is it possible that the Corporation will accept bids for less than the fair market value?
 - The 4B Sales Tax Corporation wishes to get “fair market value” bids as they indicated, but all bid amounts will be permitted. The 4B Sales Tax Corporation reserves the right to accept and/or reject any or all bids and will not commit to accepting bids for less than the “fair market value” until all bids are received.
- 2) The public notice states that leases will be granted for a term of 1 to 5 years, but the bid form does not contain any space to indicate what term is being sought—so, who determines whether the lease is for one year, five years, or something in between?
 - The default bid term will be for a one-year term. Bidders should specify a term of 5 years in their bid if so desired. Understanding that the bid form lacks an option for a term, we have attached a new bid form for all bidders.
- 3) Rather than bidding for specific spaces, the bid form simply requires the bidder to list the price per space, the number of spaces desired, and the floor desired; how would conflicts be resolved if there were more bids (all at the stated market price) for spaces on any given floor than are available?

- A high bidder would prevail. In the receipt of equal amount bids, the winning bidder will be chosen by a random public drawing subject to final approval of the 4B Sales Tax Corporation.
- 4) How will reserved spaces be enforced? Without a security system restricting entry, there will be no incentive for people to buy spaces as opposed to merely utilizing the garage without paying. If you choose a gated security system, will the revenue gained from the sale of spaces be sufficient to cover the cost of such a system?
- Under the lease agreements, each lessor will be issued a placard that will be used with the reserved spaces. The garage will be patrolled daily by City employees. Unauthorized vehicles in reserved spaces will be towed. The 4B Sales Tax Corporation does not anticipate purchasing and using a gated system.
- 5) Is a lease the appropriate description for what is being sold? From the bidding packet and notice language, it seems to me that what is being sold is more in the nature of a license than a lease, as you are not actually selling an estate in land. While this may seem like semantics, a license is usually revocable by the grantor under certain conditions, and it seems like such matters should be contemplated by the Corporation before executing a document that purports to be an unconditional sale of spaces in the garage for a specific term of years.
- The City's legal department is comfortable with and prefers to use the term "lease," as they feel it is better understood than the term "license." Further, the City anticipates that some individuals who do obtain parking spaces may sublet those spaces. Therefore, from their perspective, it makes more sense to enter into a lease.