

**STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
DIVISION OF RIGHT OF WAY**

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

Oral bids will be accepted by the State of California, Department of Transportation, District 4, ("Caltrans") for the purpose of leasing the below listed freeway lease area (FLA) parcels.

Auction Date: Tuesday, June 16, 2026
Registration Time: 10:00am
Auction Start Time: 11:00am
Auction Location: 111 Grand Avenue, Oakland, CA 94612
Ground Floor Auditorium

ORAL BID AUCTION

Those wishing to participate in the auction must arrive during the registration time [10:00am – 11:00am] to register prior to the start of the auction. Prospective bidders arriving after 11:00am may not be allowed to register or bid during the auction.

All bidders must bring a separate **cashier's check** in the amount of the indicated **bid deposit** for **every** FLA they intend to bid on and a **completed Bidder Registration form** to the auction. Bidder Registration forms will be collected when registering prior to bidding. Cashier's checks will be inspected during registration and during the auction bidders may only bid on parcels for which they have registered and possess a bid deposit check. Cashier's checks will be collected by Caltrans from the Successful Bidder after the conclusion of bidding for each FLA.

Caltrans Airspace Development Staff

County	Agents	Phone	E-Mail
Alameda, Contra Costa	Samuel Zentner	(510) 912-0838	samuel.zentner@dot.ca.gov
San Francisco	Roeul Custodio	(510) 912-6627	roeul.custodio@dot.ca.gov
Santa Clara	Sidney Orellana	(510) 908-9150	sidney.orellana@dot.ca.gov

JUNE 16, 2026 AUCTION AVAILABLE FLAs

FLA NUMBER	ESTIMATED LEASE START	AREA (Sq. Ft)	MINIMUM BID	BID DEPOSIT	LEASE TERM
ALA-580-04 ⁽¹⁾	10/1/2026	32,173	\$3,480	\$10,440	5 Years Airspace Lease
ALA-580-05 ⁽¹⁾	10/1/2026	32,698	\$3,840	\$11,520	5 Years Airspace Lease
ALA-580-17	10/1/2026	107,985	\$10,800	\$32,400	5 Years Airspace Lease
ALA-880-37	10/1/2026	64,000	\$10,080	\$30,240	5 Years Airspace Lease
ALA-880-83	10/1/2026	45,621	\$7,185	\$21,555	5 Years Airspace Lease
ALA-880-BT-51	10/1/2026	21,462	\$3,390	\$10,170	5 Years Airspace Lease
ALA-980-02	10/1/2026	27,600	\$8,205	\$24,615	5 Years Airspace Lease
ALA-980-09	10/1/2026	34,708	\$700	\$2,100	5 Years Airspace Lease
CC-580-02	10/1/2026	56,367	\$10,570	\$31,710	5 Years Airspace Lease
SCL-87-03	8/1/2026	26,021	\$3,910	\$11,730	5 Years Airspace Lease
SCL-280-03	10/1/2026	45,913	\$6,900	\$20,700	5 Years Airspace Lease
SF-80-08	10/1/2026	31,308	\$7,045	\$21,135	5 Years Airspace Lease
SF-101-34	10/1/2026	9,195	\$2,100	\$6,300	5 Years Airspace Lease
SF-280-14 ⁽²⁾	10/1/2026	64,263	\$13,500	\$40,500	5 Years Airspace Lease
SF-280-26 ⁽³⁾	10/1/2026	5,820	\$1,110	\$3,330	5 Years Airspace Lease
SF-280-38 ⁽⁴⁾	10/1/2026	10,033	\$2,110	\$6,330	5 Years Airspace Lease

ESTIMATED LEASE START DATES:

- Listed dates are only estimates.
- Caltrans does not warrant that leases will be fully executed by the listed dates nor that lease commencement will begin on the listed dates.

LEASE AGREEMENTS:

- **Airspace Parking Lease Agreement** – This template agreement will be used for all parking uses. An alternative approved use may require a different template lease.

USE RESTRICTIONS FOR ALL FREEWAY LEASE AREAS:

- **Short Term Passenger Vehicle Parking Only** – Except as otherwise noted, FLAs are offered only for **daily parking for no more than 24 hours limited to passenger vehicles as defined in Vehicle Code Section 465, with a maximum number of two axles, under a total weight of 11,000 lbs., are not for commercial use, and are not defined as a house car in the Vehicle Code.** Any other proposed uses must be conditionally pre-approved by Caltrans before the date of the auction. Written pre-approval only provides approval for Bidder to participate and bid, but does not extend or guarantee final use approval, which shall be granted or withheld solely within Caltrans discretion. If Bidder fails to obtain pre-approval, participates in the auction, and the proposed use is denied by Caltrans, Bidder shall automatically withdraw its bid and 25% of the collected bid deposit amount shall be retained by Caltrans as liquidated damages.
- **No Storage of Personal Property** – No personal property shall be stored within FLAs.
- **Prohibited Items:** – the following items, though not limited to, are considered hazardous and prohibited so may not be brought onto an FLA:
 - Oil and other motor related fluids (when outside of an operable vehicle motor)
 - Gasoline (when outside of an operable vehicle fuel tank)
 - Non-operable vehicles
 - Wood items or lumber products, including pallets and chips/mulch
 - Portable buildings or other structures such as sheds or kiosks
 - Combustible, flammable or hazardous materials
 - Plastic or rubber materials including piping, conduit and other tubing
 - Tires (when not in use on wheels of an operable vehicle)
 - Paper products in quantities beyond typical consumer use
 - Fabrics
 - Batteries (when not in use on an operable vehicle)
 - Chemicals/Cleaning supplies in industrial quantity
 - Any other combustible, hazardous, or flammable materials that are capable of being easily ignited and burning quickly

ARTIFICIAL ENTITIES:

- Caltrans reserves the right to disqualify an artificial entity (corporation, LLC or LLP) as a tenant or to require that the artificial entity jointly execute the lease agreement together with a natural person with demonstrably adequate finances to support performance of the lease obligations, as solely determined by Caltrans.

SF-80 and SF-101 CALTRANS BRIDGE REHABILITATION PROJECT NOTICE:

- SF-80 and SF-101 FLAs may be impacted by the Caltrans Bridge Rehabilitation Project that commenced construction January 2026. The project will require certain FLAs to temporarily be fully or partially vacated by tenants for a yet undetermined period to accommodate construction.

FLA SPECIFIC DISCLOSURES

(Numbers correspond to superscript notations in the FLA column in the table above)

(1) FLA ALA-580-04 & ALA-580-05: These FLAs will be impacted by a Caltrans construction project that commenced construction April 2026. The project may prevent the execution of the associated airspace leases, or, if leases are executed, will require the FLAs to be partially or fully vacated by tenants at a yet unknown date and for a yet undetermined period to accommodate construction.

(2) FLA SF-280-14: This FLA is unpaved and consists of two levels depicted in the mapping as lower Area A and upper Area B.

(3) FLA SF-280-26: This FLA has no vehicle access, is unpaved, and partially sloped. Gross area including the slope is 13,000s.f. Only the flat long rectangular portion (approx. 5,280s.f.) is usable. Although currently the FLA is used for recreation use youth baseball skills practice, all recreation uses require conditional pre-approval by Caltrans prior to the auction to authorize Bidder to participate and bid during the auction, but does not extend or guarantee final use approval and execution of a lease, which shall be granted or withheld solely within Caltrans discretion. Bidders are required to contact Roel Custodio before the date of the auction for additional information.

(4) FLA SF-280-38: This FLA is unpaved and sloped.

ALL BIDDERS BY PARTICIPATING IN THE AUCTION AGREE TO THE FOLLOWING:

- 1. BIDDER'S ACCEPTANCE OF LEASE TERMS:** All Bidders shall review the applicable Caltrans lease agreements for acceptance of terms prior to bidding. By bidding on a freeway lease area (FLA), Bidders agree to all terms and conditions of the Caltrans lease templates. Caltrans reserves the right to revise the lease templates at any time prior to execution.
- 2. BIDS:** No bid shall be accepted which is less than the minimum monthly bid as shown above on this notice. Furthermore, Caltrans reserves the right to accept only those bids that are deemed in the best interest of Caltrans.
- 3. REFUSAL OF BIDS:** Caltrans reserves the right at its sole discretion to refuse any or all bids at any time prior to the full execution of the lease.
- 4. BIDDER REGISTRATION FORM:** On auction day, all Bidders must register prior to the start of the auction. **During registration each Bidder must present a fully completed Bidder Registration Form** that clearly states the Bidder's name, business association, contact information and a listing of each FLA the Bidder intends to bid on during the auction.

Prospective Bidders arriving after close of the registration period may not be allowed to register or bid during the auction.

5. **OBSERVER REGISTRATION:** All parties entering the Caltrans auction venue to observe the proceedings shall register providing their name and contact information prior to entering.
6. **BID DEPOSIT:** During registration **each Bidder (INCLUDING EXISTING TENANTS) must present for inspection a bid deposit** in the form of a cashier's check payable to the "State of California Department of Transportation" in the amount indicated for each FLA the bidder plans to bid on. Only cashier's checks are acceptable. **Cash or personal/business checks will not be accepted. Failure to present for inspection the required bid deposit in the form required will result in bidder disqualification for the specific FLA.** A separate bid deposit cashier's check is recommended for each FLA. Bidders will retain possession of their bid deposit checks during the auction. The Successful Bidder for each FLA must tender their bid deposit check to Caltrans at the conclusion of bidding for each FLA. If a single cashier's check is tendered by the Successful Bidder in an amount greater than the bid deposit, Caltrans shall retain the entire check amount to be applied to the pending tenancy security deposit and credit any balance to the Successful Bidder's pending tenancy rent account. In the event of a Successful Bidder default on an FLA, the Successful Bidder shall automatically withdraw its bid and 25% of the collected bid deposit amount shall be retained by Caltrans as liquidated damages.
7. **APPLICATION:** On the day of the auction, **Tuesday, June 16, 2026**, the Successful Bidder shall submit a fully completed and signed Airspace Lease Application prior to the end of the auction event. The Airspace Lease Application contains language that requires a potential lessee to attest to having no unlawful detainers (UDs) and no bankruptcies within the last 10 years.
8. **BUSINESS DOCUMENTATION:** By **Tuesday, June 23, 2026**, the Successful Bidder shall provide company business and financial documentation sufficient to satisfy Caltrans of the Successful Bidder's capability to operate its business, maintain the FLA, and pay rent through the term of the lease.
9. **CREDIT REPORT:** By **Tuesday, June 23, 2026**, together with the business documentation, the Successful Bidder, at its own expense, shall also submit a copy of their credit report, no older than 60 days from date of application, produced by a major credit bureau. A Corporate Business Report shall be submitted for artificial entities such as Corporations and Limited Liability Companies (LLCs) that have been in existence for at least one year. The Successful Bidder's application will be rejected for any unlawful detainer actions or bankruptcy filings in the past 10 years.
10. **APPLICATION REJECTION:** Should Caltrans determine by its sole discretion that the Successful Bidder's credit report data is unsatisfactory or that required information in the Airspace Lease Application is missing, or any of the statements, representations or certifications contained on said Application are incorrect, false, or misleading, the

Successful Bidder will be provided one additional business day to correct any deficiencies. If the Successful Bidder fails to completely remedy the deficiencies and adequately demonstrate its ability to proceed to Caltrans' sole satisfaction, the Successful Bidder's bid may be rejected and shall result in forfeiture of 25% of the Successful Bidder's collected deposit amount, which will be retained by Caltrans as liquidated damages.

11. LEASE: By **Wednesday, July 15, 2026**, the Successful Bidder agrees to deliver to Caltrans the signed lease agreement. Bidders agree to all terms and conditions of the applicable Caltrans lease for each auctioned property. No Bidder may demand that any modifications be made to the Caltrans leases. Caltrans reserves the right to solely elect to revise lease terms or employ a different lease agreement template depending on the specific use of the auctioned property or its classification. If the Successful Bidder fails to perform as required for any reason, Caltrans retains the option of awarding the auctioned property to another Bidder.

12. FEDERAL HIGHWAY ADMINISTRATION (FHWA) APPROVAL: For FLAs on Interstate routes ALA-580, ALA-880, ALA-980, CC-580, SCL-280, SF-80, and SF-280 airspace leases require pre-approval by FHWA prior to execution. Caltrans does not control the FHWA review timeline, so cannot guarantee that approvals will be received in time to allow lease execution and term commencement by the estimated term start date.

13. SECURITY DEPOSIT: Caltrans will retain a security deposit in an amount equal to the monthly rent during a tenancy. No portion of the security deposit shall be characterized as "last month's rent."

14. BID DEPOSIT BALANCE DUE: By **Tuesday, June 23, 2026**, the Successful Bidder shall tender to Caltrans a check for any Bid Deposit balance due calculated by multiplying the successful bid by two, adding the security deposit (one month's rent = successful bid), then subtracting the previously collected Bid Deposit amount. The Successful Bidder shall schedule an appointment to deliver the check to the Right of Way Airspace Development Branch of the California Department of Transportation, 111 Grand Avenue, Oakland, California, 13th Floor. In the event a Successful Bidder fails to tender the Bid Deposit balance by the due date, the Successful Bidder's bid may be rejected and shall result in forfeiture of 25% of the Successful Bidder's collected deposit amount, which will be retained by Caltrans as liquidated damages.

15. INSURANCE: All leases with Caltrans require evidence of satisfactory insurance, which must be provided by timely submittal of an industry standard Certificate of Insurance form. Non-compliance with this requirement constitutes a default and will result in immediate lease termination. Full insurance requirements are stated within the lease agreement. As a summary, Tenant must keep the following insurance policies in force during the term of the lease (coverage minimums are per occurrence):

All FLAs:

- Commercial General Liability Insurance (\$20,000,000 per occurrence)

Additional requirements for parking lots:

- Business and Auto Liability Insurance (\$1,000,000 per occurrence minimum)

Additional requirements if Tenant employees enter the FLA:

- Workers' Compensation and Employer's Liability Insurance (\$1,000,000 per occurrence minimum)

Additional requirements if FLA includes use of a building:

- Fire insurance (100% replacement value coverage)

16. TAXES: All FLAs are subject to County Possessory Interest Tax. Additionally, parking leases in the City of San Francisco and the City of Oakland may be subject to parking tax. All local, state and federal taxes as well as all City and County parking taxes and possessory interest taxes are the sole responsibility of the tenant. Nonpayment of taxes or other non-compliance with local ordinances constitutes a default that will result in lease termination.

17. LEASE TERMINATION: Caltrans leases contain clauses allowing either party to terminate the lease upon specific written notice, except in the event of a national or other emergency, in which case Caltrans shall have the right of immediate possession to maintain, secure, or protect highway structures.

18. PLANNING DEPARTMENT APPROVAL: Bidders must secure local approval for use and zoning compliance from the appropriate city or county planning department for any use other than an existing passenger vehicle parking use on a developed paved parking lot FLA. In the event that the Successful Bidder cannot obtain local planning department approval for the intended use, the Successful Bidder shall be in default and will withdraw its bid and 25% of the collected deposit amount shall be retained by Caltrans as liquidated damages.

19. AS-IS: All FLAs are being leased in an "AS IS" condition. Bidders are required to personally inspect all FLAs they intend to bid on as current site conditions may be different than as depicted in the attached mapping. Caltrans provides no warranty as to the FLA's fitness for any intended use.

20. FLA DESCRIPTIONS: The FLAs offered for lease at this auction are identified by a parcel number. An information sheet for each FLA to be auctioned is available to all bidders. For most FLAs, the first page of the parcel information sheet includes an aerial photo of the FLA and a ground level photo followed by a right of way FLA map that specifically depicts the geographic boundaries and area of each parcel. The FLA maps and the highlighted aerial photos are for bidder convenience only and should not be relied upon by bidders to represent the actual condition of the depicted FLA as conditions may have changed between the time the map was drafted, and the photo was captured and the date of the auction. Furthermore, all information depicted in the information sheets is approximate. The net area shown on the FLA map may vary. All bidders shall personally inspect any FLA they intend to bid on and contact Caltrans with any questions prior to the date of the auction. Tenants are to utilize only the designated area as specified on the FLA map and further referenced in the lease. In the case where the attached parcel mapping may not be accurate, the on-site ground conditions shall dictate the limits of the Premises.

21. EXISTING OR FORMER CALTRANS TENANTS: All existing tenants that wish to participate in the auction must be current in all rent payments (and any assessed fees) and in good standing under all lease or rental agreements with Caltrans. Caltrans may refuse to accept any bid from a current or former tenant who is delinquent on auction day or was previously delinquent in rent payments or in breach of any other provision of any Caltrans lease agreement. Furthermore, Caltrans may refuse to accept any bid from a former tenant that has vacated an FLA leaving an outstanding account balance owed to Caltrans due to unpaid rent or assessed damages.

22. DEFAULT: Failure of the Successful Bidder to execute a Caltrans Lease Agreement or failure to perform any other auction requirements, for any reason, shall constitute a default of the auction rules and this bid notice. Successful Bidder shall automatically withdraw its bid and incurably forfeit its contingent opportunity to lease the FLA. The Successful Bidder's default will cause Caltrans unspecified damages. As a result, the Successful Bidder agrees to forfeit the entire deposit amount held by Caltrans and agrees that 25% of the collected deposit shall be retained by Caltrans as liquidated damages. Upon the Successful Bidder's default, Caltrans reserves the right to offer the FLA to another Bidder.

23. CALTRANS EXEMPTION FROM LIABILITY: By participating in the Airspace Lease Auction, the Bidder agrees that Caltrans is to be free from any and all liability and claims for damages by any Bidder or Successful Bidder in the case Caltrans elects to refuse any bid or if Caltrans elects to declare a default if the Successful Bidder fails to perform for any reason thereby withdrawing its bid and forfeiting its deposit, or if the FLA is not available for the Successful Bidder to take possession on the new lease commencement date due to any lease processing delays or if the prior tenant remains in possession of the FLA or the prior tenant's personal property is still located on the FLA. The Bidder further agrees to indemnify and save harmless Caltrans from any third-party claim of liability, loss, cost and obligation on account of Caltrans refusing any bid or any Bidder default, or if the FLA is not available for the Successful Bidder to take possession.

24. CITY OF SAN FRANCISCO PARKING LOTS: Tenants within the City and County of San Francisco who intend to operate a Commercial Parking Lot are required to comply with all City and County of San Francisco permitting requirements. For more information regarding San Francisco parking permits and tax requirements bidders may contact the San Francisco Treasurer and Tax Collector's Office.

Additional information:

- <https://sftreasurer.org/business/taxes-fees/parking-tax>
- <https://sanfranciscopolice.org/SFPD-PERMIT>
- Parking Stations Tax:
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_business/0-0-0-1551
- Revenue Control Equipment:
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_business/0-0-0-3028

- Commercial Parking Permits:
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_police/0-0-0-5302

25. CITY OF OAKLAND PARKING LOTS: Tenants within the City of Oakland who intend to operate a Commercial Parking Lot are required to comply with all City of Oakland and County of Alameda permitting requirements.

The City of Oakland Code of Ordinances, Title 4, Chapter 4.16 imposes a parking tax and surcharge on the rental of every parking space in a parking station within the City:

(https://www.municode.com/library/ca/oakland/codes/code_of_ordinances?nodeId=TIT4REFI_CH4.16PATA)

Additional information:

- <https://www.oaklandca.gov/Business/For-Business-Owners/Business-Taxes/Parking-Lot-Owner-Tax>
- <https://www.oaklandca.gov/Business/Business-Taxes-Licenses-Permits>
- City of Oakland Code of Ordinances, Parking Tax:
https://www.municode.com/library/ca/oakland/codes/code_of_ordinances?nodeId=TIT4REFI_CH4.16PATA

26. SUCCESSFUL BIDDER ACTIONS TIMELINE:

- Application Due By: Tuesday, June 16, 2026
- Credit Report Due By: Tuesday, June 23, 2026
- Business Documentation Due By: Tuesday, June 23, 2026
- Bid Deposit Balance Due By: Tuesday, June 23, 2026
- Tenant Signed Lease Due By: Wednesday, July 15, 2026

27. DEFINITIONS:

- “Bidder” – an adult who obtains a bidder number after completing the auction registration process on the day of the auction, which includes having reviewed all auction rules and requirements, providing a completed Bidder Registration Form listing every FLA the person intends to bid on, and presenting a cashier’s check in the amount of the bid deposit for each FLA.
- “Successful Bidder” – the Bidder with the highest rent bid amount at auction that has been acknowledged by Caltrans for a particular freeway lease area being auctioned and conditionally accepted pending successful completion of the application screening process and other post-auction requirements.
- “Commercial Parking Lot” – as defined by local ordinance in the jurisdiction of the FLA.