



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

**NOTICE OF INTENT TO LEASE STATE TRUST LANDS
FOR DRYLAND AGRICULTURE
AT SEALED BID PUBLIC AUCTION**

APPLICATION NO. C1200105571

The State of Washington, Department of Natural Resources, hereinafter called the "State", is offering a ten-year dryland agriculture lease at sealed bid public auction for State trust land located in Walla Walla County, Washington.

Sealed bids will be opened on June 5, 2024, at 2:15 p.m. at the region office of the State, whose address is noted below. All bids must be received no later than this date and time. For more information, contact Land Manager, Ryan Cloud at 509-528-6196.

Bids must be placed in a sealed envelope and marked as follows:

SEALED BID	STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES SOUTHEAST REGION OFFICE 713 BOWERS ROAD ELLENSBURG, WA 98926-9301
Date: <u>June 5, 2024</u>	
Application No. <u>C1200105571</u>	

1. GENERAL INFORMATION:

A. Property Information

- 1) Permitted Use(s) and Acres: 154.07 acres Conservation Reserve Program and 5.93 acres conservation leave.
- 2) General Location and Access: The lease is six miles northeast of Touchet, east of Touchet North Road. State has no legal access. Lessee is responsible for legally accessing Premises.

- 3) Legal Description: SW 1/4 Section 36, Township 8 North, Range 33 East, W.M., Walla Walla County, Washington, containing 160 acres, according to the GLO survey dated January 11, 1862.

B. Rental Payment

Cash Rent in Subsection 1.04 of the proposed lease is fixed.

For CRP Contract No. 11388-71, DNR will determine the current agreement holder's residual value in the CRP establishment cost, collect that value from the successful bidder, and provide it to the prior agreement holder once they have assigned their interest in the CRP contracts to the successful bidder.

C. Bonus Bid Deposit

As provided for in Section 2 "Deposit" of this notice, the bidder may include as part of the required deposit, a cash bonus bid. The cash bonus bid is a one-time payment, and is in addition to all other payments. The amount of cash bonus bid offered will be considered in determining which bid is most beneficial to the State.

When proposing a cash bonus bid, each bid is required to contain a check, certified check, or money order, payable to the Department of Natural Resources for the amount of cash bonus bid.

D. Management Requirements

The successful bidder shall prepare the land, establish, grow, manage, and market all crops, and furnish and/or install all materials, as required by the lease.

E. Attachments

Attached to this notice is the following supplementary information:

- 1) Proposed Lease.
- 2) Location and Topography Maps.

2. **SEALED BIDS:**

The following items and information must be included in the sealed bid packet and individually identified in the order shown:

A. **General Information**

Name, address and telephone number of the bidder, and any other individual who can be contacted for further information. If the entity which will execute the lease is different than the bidder, please provide entity name, address and telephone number.

B. **Financial Statement**

For each individual and/or entity who will execute the lease, provide one or more letters from financial institutions or prospective lenders attesting to net worth and/or evidence of financial resources and ability to complete the lease operation and/or development as proposed. This information will be held confidential to the extent permitted by law.

C. **Qualifications**

Two (2) years of work experience in the successful management of a dryland crop, including planting, insect and weed control, harvesting, knowledge of handling, storage and marketing. References attesting to this experience are required from warehouse, processors, buyers, or other appropriate local businesses unless the bidder and/or entity which will execute the lease has established their qualifications as a prior holder of a State dryland agriculture lease.

D. **Deposit**

Check made out to the Department of Natural Resources:

Cash Bonus Bid (Amount proposed by bidder)	\$ _____
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If the successful bidder is not TSR Farms, LLC (current agreement holder), DNR will determine the agreement holder's residual value in the CRP establishment cost for CRP Contract No. 11388-71. DNR will collect that value from the successful bidder, and provide it to the prior agreement holder once they have assigned their interest in the CRP contract to the successful bidder.

E. Plan of Operation

If bidder proposes to sublease the Premises for permitted use(s), provide the following information:

Sublessee name, address, phone number, and email address.

F. Special Requirement. Bidders shall describe how they can legally access premises.

3. **SEALED BID EVALUATION AND AWARD OF LEASE:**

A. At the time and place previously specified in this notice, the bids will be opened and recorded by at least two (2) representatives of the State.

B. Each item outlined in Section 2 of this notice must be included or the bid may be rejected. The State will review each bid proposal. If there are any questions about the bid proposal resulting from this review, the State may contact the bidder prior to making a decision.

C. The State will choose a successful bidder after all bids have been evaluated to determine which offer is most beneficial to the State.

D. A lease in substantially the same form as the attached proposed lease will be submitted to the successful bidder.

If the offered lease is not signed and returned to the State within twenty (20) days of mailing the lease to the successful bidder, any claim to the lease and the prepaid deposit may be forfeited to the State, at the option of the State, as fixed, agreed and liquidated damages, but not as a penalty. However, any money collected as a deposit for the value of improvements shall be returned. A lease may then be offered to the bidder who submitted the next most beneficial bid.

E. Deposits will be returned to all unsuccessful bidders within sixty (60) days of the auction, or upon the State's receipt of a signed lease from the successful bidder, whichever occurs first.

F. The State reserves the right to waive any irregularity in any bid, to reject any and all bids, and to accept any bid although it may not purport to offer the highest financial return if that bid appears to be in the best interest of the State. All bids become the property of the State and will not be returned.

4. PROPRIETARY INFORMATION/PUBLIC DISCLOSURE:

Materials or information submitted in response to this bid shall become public records within the meaning of RCW Chapter 42.56, and are subject to disclosure to the public unless an exemption applies.

The lands described herein will be leased, subject to all terms, conditions and reservations of the statutes, now provided for the leasing of lands under the jurisdiction of the Washington State Department of Natural Resources.

The information contained in this Notice is of a general nature only. It is the responsibility of the bidder to review the attached lease.

Executed on behalf of the Commissioner of Public Lands this on 4/24/2024, 2024.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

DocuSigned by:
Joel Perez
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JOEL PEREZ
Assistant Southeast Region Manager, Agriculture