



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS

Subject: Bonus Bid Application Information for Lease

Dear Interested Party:

Thank you for your interest in a state trust land lease with Department of Natural Resources (DNR). The lease will expire on the date listed on the date noted on the legal advertisement.

If you wish to make a bonus bid application, please complete the enclosed application and return it to the listed region office, along with a certified check or money order for the Cash Bonus Bid Offer, **prior to the date listed as the last day for bids to be accepted**. Please note that the annual rent is set by DNR based upon our determination of Fair Market Rental Value. The **only** area open to bid is the cash bonus bid amount (item 5 on the application).

DNR will notify you of the decision to accept or reject your bid.

The current lessee has the opportunity to match an accepted bonus bid at the time of lease negotiation. Should the negotiations between the State and the current lessee be satisfactorily completed, the lease will be awarded to the existing lessee. If negotiations are successful the highest qualified bonus bid will be held by DNR, and returned after the renegotiated lease has been executed by DNR. Conversely, should the lessee fail to meet the accepted bonus bid and/or if negotiations are not satisfactorily completed, the lease will be allowed to expire and will be offered at public auction. The highest qualified bonus bid offer will be treated as a minimum bid at the public auction. If there are no bidders at the public auction, the lease will be offered to the applicant who has made the highest accepted bonus bid.

Failure of the applicant to sign the lease (within the designated time frame provided for in the Notice of Intent to Lease) will result in the forfeiture of the deposit and bonus bid.

The applicant should be prepared to purchase lessee owned improvements (if any) based upon fair market valuation at the time of public auction.

Contact the local unit land manager if you have questions regarding the lease property or management. For land manager contact information, see the land manager unit map at dnr.wa.gov/agriculture.

BONUS BID APPLICATION

LEASE NO. _____ **Date:** _____

Individual or Business Entity Name: _____
Your Name: _____ Title (if applicable): _____
Address: _____
City, State Zip: _____
Phone: (____) _____ Email: _____

I, the undersigned, agree to the conditions set forth in this application and certify to the best of my knowledge the information contained herein is complete and accurate.

_____ Date: _____

I desire to place a bonus bid on Lease No. _____. I hereby offer the following information for the Washington State Department of Natural Resources to consider in accepting or rejecting my application (reference the Lease Expiration List or contact DNR land manager for lease-specific information):

1) Qualifications (Describe how you meet the minimum qualifications listed on Page 4): _____

2) Proposed lease terms and conditions, if different than current. Note that grazing and dryland crop share leases have a maximum term of 10 years. All leases include periodic adjustment to market rental value. _____

3) Plan of operation. For dryland or irrigated crop leases, list crop types and rotation. For grazing leases, list proposed grazing period and maximum number of animal units. _____

4) Attach a financial statement of the ability to carry out the proposed operation (i.e. paying annual rent for cash rent lease, ability to develop parcel if proposing new development). For example, a current net worth statement, letters of credit, or other evidence.

5) Cash bonus bid offer:

Bonus Bid..... \$ _____
Deposit..... \$ 100.00
Total Enclosed..... \$ _____

The applicant hereby agrees to the following conditions associated with submission of the Bonus Bid Application:

1. **RENT.** DNR solely establishes fair market rental value.

2. **IMPROVEMENTS.** DNR parcels available for lease often include lessee-owned improvements such as fences, storage sheds, pumps, electrical panels, vines, trees, etc. Should negotiations fail between the current lessee and DNR, the applicant/successful bidder will be required to purchase lessee-owned improvements, if any, at the time of public auction. Fair market value of the improvements, if any, shall be established by DNR at the time of appraisal. (Appraisal of improvements precedes a public auction.)

3. **RETURN OF PAYMENTS.** All bid checks received will be held by DNR. If negotiations are successful between the current lessee and DNR, all bonus bids except the highest qualified bid will be mailed back to applicants. The highest qualified bonus bid and \$100 deposit **will be held by the DNR, and returned after the renegotiated lease has been executed by DNR.** Should the lessee fail to match the accepted bonus bid, and/or if negotiations are **not** satisfactorily completed, the lease will be allowed to expire and will be offered at public auction. The highest qualified bonus bid offer will be treated as a minimum bid at the public auction. If there are no other bidders at the public auction, the lease will be offered to the applicant who has made the highest accepted bonus bid. Bid return to unsuccessful bidders will occur upon execution of the lease with the successful bidder.

4. **INTEREST.** DNR does not pay interest on monies held as bonus bid; thus, the applicant waives claim to any interest earned by DNR, if any, on the monies enclosed.

5. **WITHDRAWAL OF BONUS BID.** All bonus bids will be subject to review by DNR. Any request by applicant to change or withdraw the submitted bid must be made prior to DNR's final decision whether to accept or reject the bid.

6. **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.

Should negotiations with the current lessee be successful, the applicant may obtain a copy of the executed lease.

Office Use Only:

Current Lessee:	_____
Date Received:	_____
Lease Expiration Date:	_____
Negotiation Date:	_____
Unit Manager:	_____
Last Date for Accepting Bids:	_____
Last Date to Accept/Reject:	_____

QUALIFICATIONS:

Grazing Lease: A qualified person for a grazing lease is someone who has two (2) years of work experience in grazing and handling livestock or two (2) years of formal education in range management or animal husbandry. References attesting to this experience are required unless the bidder has established his/her qualifications as the holder of a previous State grazing lease.

Dryland Agriculture Lease: A qualified person for a dryland agriculture lease is someone who has two (2) years of work experience in the successful management of a dryland crop including, but not limited to, planting, insect and weed control, harvesting, knowledge of handling, storage and marketing. References attesting to this experience are required from warehouses, processors, buyers, and/or other local businesses unless the bidder has established his/her qualifications as the holder of a previous State dryland lease.

Irrigated Agriculture Lease: A qualified person for an irrigated agriculture lease is someone who has two (2) years of work experience in all phases of successful management of irrigated crops including, but not limited to, planting, insect and weed control, harvesting, knowledge of handling, storage and marketing. References attesting to this experience are required from warehouses, processors, buyers and/or other local businesses unless the bidder has established his/her qualifications as the holder of a previous State irrigated lease.

Tree Fruit or Grape Lease: A qualified person for a tree fruit or grape lease is someone who has two (2) years of work experience in all phases of successful management of irrigated tree fruit or grapes including, but not limited to, planting, propagating, pruning, thinning, insect, rodent and weed control, harvesting, knowledge of handling, storage and marketing and other specialized cultural practices. References attesting to this experience are required from warehouses, processors, buyers and/or other local businesses unless the bidder has established his/her qualifications as the holder of a previous State irrigated lease.