



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES

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

APPLICATION NO. 12-A88961

The State of Washington, Department of Natural Resources, hereinafter called the "State", is offering a 22 year irrigated agriculture lease at sealed bid public auction for State trust land located in Benton County, Washington.

Sealed bids will be opened on December 10, 2021, at 2:00 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
Date: <u>December 10, 2021</u>	
Application No. 12-A88961	

1. **GENERAL INFORMATION:**

A. **Property Information**

- 1) Acres: 127.1 acres, more or less.
- 2) Permitted Use(s): Minimum of 125.5 acres of irrigated agriculture, remaining acreage in non-production. Authorized crops are alfalfa, cereal grains, corn, onion, peas, potatoes and timothy.

- 3) General Location and Access: Approximately 8 miles north of Paterson, lying 1 mile west of the intersection of Hwy 221 and Horrigan Road, with legal access off Horrigan Road.
- 4) Legal description: That Portion of SE 1/4 Section 36, Township 7 North, Range 25 East, W. M, depicted in cross hatch the map of premises, containing 127.1 acres.
- 5) Water: The property will be irrigated using the State's Water Right Permit S4-25639(A)P as modified under change application CS4-25639(A)@2 to include the Columbia Water and Power District (CWPD) diversion, which provides for 3.9 acre-feet/acre of water duty.

Water Delivery System: Unless bidder can provide evidence of ability to deliver water to premises through another irrigation water delivery system, the water will be delivered to the Premises under an agreement between the State and the Columbia Water and Power District (CWPD/DNR Agreement). The water is delivered from the CWPD pump station and related facilities, through the Paterson Project Irrigation System, which traverses Lease No. 12-095036. A portion of Lease 12-095036 surrounds proposed lease 12-A88961.

B. Development

The furnishing and installation of irrigation water delivery system and all other development necessary for irrigating the leased premises are to be done by the Lessee.

The State does not guarantee water availability, water right, water quantity, or water quality and makes no other representation to guarantee the use of water to serve the purposes of the Proposed Lease.

C. Rental Payment

Rental terms are summarized on attached Proposed Lease. If successful bidder is the holder of Lease No. 12-095036, the rent will be the same as rent in effect starting January 1, 2022 under that lease. (Based on an irrigated ag rental rate per acre of \$450.00, subject to PPI adjustment as described in the lease).

Lessee will also pay all assessments associated with the Premises. The 2021 Benton County Conservation District Assessment was \$12.01 and the weed assessment was \$8.20 .

D. 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.

Each bid is required to contain a check, certified check, or money order, payable to the Department of Natural Resources equal to the amount of cash bonus bid.

E. Special Requirements

The successful bidder shall demonstrate ability to provide irrigation water under Surface Water Permit No. S4-25639(A)P as modified under change application CS4-25639(A)@2, through interconnection to an existing water system, connected to the CWPD Pump Station and diversion, or other diversion and irrigation system proposed by bidder. Any water rights, easements, agreements, or permits obtained must be in the name of and for the benefit of the State.

F. 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.

G. Attachments

Attached to this notice is the following supplementary information:

- 1) Proposed Lease
- 2) Location Map.
- 3) Topography Map.

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 by the bidder, or operator, in all phases of successful management of irrigated crops including planting, insect and weed control, harvesting, knowledge of handling, storage and marketing. References attesting to this experience are required from a warehouse, processor, buyer and/or other appropriate local business unless the bidder and/or entity which will execute the lease has established their qualifications as the holder of an active irrigated State lease.

E. Deposit

Check made out to the Department of Natural Resources:

Cash Bonus Bid	\$ _____
Total Deposit	\$ _____

F. Plan of Development

Submit a specific plan for developing the premises for the irrigation of field crops. There must be sufficient information presented so that the State can make an informed decision when evaluating the bid. This plan shall contain specific statements, cost estimates, maps and completion dates with regard to at least the following items, where applicable:

- 1) Describe how you can provide irrigation water under State's Water Right Permit S4-25639(A)P as modified under change application CS4-25639(A)@2 to premises by start of 2022 cropping season.

Provide plans and specifications, and map showing location for irrigation system to be interconnected to secondary irrigation pipeline on premises. Indicate river pumping station from which water is proposed to be delivered.

- 2) Provide estimate of when you will complete development of the Premises, including construction, farm layout, and full beneficial use of water authorized under State's water permit. If bidder leases surrounding lease, indicate if land will be farmed in conjunction with other DNR managed lands.
- 3) List permanent fixtures such as buildings (including petroleum and chemical storage and mixing facilities), fences, windbreaks, and other improvements to be placed on the premises.
- 4) Irrigation system. The proposed lease requires a plan that describes any proposed changes to existing irrigation system. For the purposes of preparing a bid, state at least the following:
 - a) General location of all pipelines, pumping facilities, final delivery and application points, system control valves and all other major system components.
 - b) Pressure and flow rate requirements at delivery points.
 - c) Any features unique to the proposed irrigation system.

If bidder proposes to sublease the Premises for a given crop(s) in the rotation or permitted use(s), provide the following information:

Sublessee name, address, phone number, and email address. Describe the proposed authorization such as full or partial sublease, sublease for a rotation of certain crops, etc. List crop(s) or use(s) to be subleased.

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 28th day of October, 2021.

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

DocuSigned by:

Kathryn Mink

KATHRYN MINK 4C3444D2C2E84D2...
Assistant Region Manager, Agriculture
Southeast Region