



**WASHINGTON STATE DEPARTMENT OF  
NATURAL RESOURCES**

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

**APPLICATION NO. 12-100992**

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

Sealed bids will be opened on November 10, 2020, 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:**

<b>SEALED BID</b>	STATE OF WASHINGTON DEPARTMENT OF NATURAL RESOURCES SOUTHEAST REGION OFFICE 713 BOWERS ROAD ELLENSBURG, WA 98926
Date: <u>November 10, 2020</u>	
Application No. <u>12-100992</u>	

**1. GENERAL INFORMATION:**

**A. Property Information**

- 1) Permitted Uses and Authorized Crops: 86.22 acres irrigated agriculture, and 14.24 acres conservation leave. Two crops of either potatoes, onions, or other root/tuber crop may be grown in the same field within a three (3) year period. Bidders may propose additional seasonal agribusiness uses on portions of premises.

- 2) General Location and Access: Premises are two miles east of Pasco, with legal access off Alderson Road.
- 3) Legal Description: Portions of Sections 23 and 26 of Township 9 North, Range 30 East, W.M., Franklin County, Washington, more particularly described as follows;

Commencing at the Southwest corner of Section 23, with the West quarter corner of said Section North  $00^{\circ}03'07''$  West 2657.19 feet therefrom, and with all bearings relative thereto;

Thence along west line of said Section North  $00^{\circ}03'07''$  West for a distance of 1022.64 feet to the true Point of Beginning, also being North  $18^{\circ}39'28''$  East and a distance of 1422.36 feet from a 5/8 inch rebar with 2-1/2 inch DNR aluminum capped monument stamped "1000";

Thence continuing along west line of said Section North  $00^{\circ}03'07''$  West for a distance of 892.90 feet to the southeasterly right of way extents of Pasco-Kahlotus Road;

Thence along said right of way North  $56^{\circ}24'01''$  East for a distance of 749.40 feet;

Thence leaving said right of way South  $33^{\circ}39'39''$  East for a distance of 1000.58 feet;

Thence North  $56^{\circ}24'01''$  East for a distance of 4112.76 feet;

Thence South  $00^{\circ}16'27''$  East for a distance of 529.18 feet;

Thence North  $86^{\circ}50'03''$  East for a distance of 710.00 feet;

Thence South  $00^{\circ}18'30''$  East for a distance of 334.78 feet;

Thence South  $00^{\circ}29'53''$  East for a distance of 335.39 feet;

Thence South  $86^{\circ}53'55''$  West for a distance of 355.24 feet;

Thence South  $86^{\circ}55'15''$  West for a distance of 303.90 feet;

Thence along a curve turning to the left, with a radius of 1392.00 feet, a chord bearing of South  $62^{\circ}20'22''$  West, chord length of 2569.85 feet and an arc length of 3274.00 feet;

Thence along a curve turning to the left, with a radius of 1384.13 feet, a chord bearing of South  $38^{\circ}01'26''$  West, a chord length of 1206.90 feet and an arc length of 1248.83 feet;

Thence along a reverse curve turning to the right, with a radius of 510.00 feet, a chord bearing of South  $59^{\circ}00'18''$  West, a chord length of 743.90 feet and an arc length of 833.66 feet;

Thence along a compound curve turning to the right, with a radius of 510.00 feet, with a chord bearing of North  $68^{\circ}15'23''$  West, with a chord length of 105.02 feet and an arc length of 105.21 feet;

Thence North  $47^{\circ}07'32''$  West for a distance of 647.72 feet;

Thence North 43°06'29" East for a distance of 1147.49 feet;  
Thence North 33°36'51" West for a distance of 54.37 feet;  
Thence South 56°26'09" West for a distance of 1159.76 feet;  
Thence North 41°16'58" West for a distance of 333.09 feet, to the true point of beginning, and containing 100.46 acres, more or less; EXCEPT, if any, Lot 1 of SP No. 2009-15, Volume 1 of Short Plats, Page 79, AFN 1736172, records of Franklin County, Washington.

- 4) Water to irrigate 60.68 acres is provided from one well on premises, authorized under a state ground water rights. Lessee must provide water to irrigate 25.54 acres in M Circle 3.
- 5) Improvements: All leasehold improvements on premises are state-owned, including center pivots, pumps, above and underground electrical systems, underground irrigation mainlines, and wells. The lessee will be responsible for maintenance of all improvements.

See Exhibit 2 of the Proposed Lease for a full list of improvements.

B. Development

The maintenance and repair of above ground and underground irrigation systems and all other development necessary for irrigating the leased premises are to be done by the Lessee, at Lessee's sole expense.

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. The State has no liability for any claims or causes of action arising from Lessee's use of water, including, but not limited to water availability, quality or quantity of any water or water supply and any other water-related problems such as, but not limited to, lack, contamination, failure, excess, shortage, interruption or stoppage of water.

C. Rental Payment

The rent in Subsection 1.03 of the Proposed Lease is fixed. Annual rents are based on a rental rate of \$600.00 per irrigated acre for acreage irrigated by state-owned water. Annual rents for acreage with lessee-provided water is based on a rate of \$300.00 per irrigated acre. Total rents per acre including the value for leasehold excise tax (at a rate of 12.84 percent) are shown below.

<b>Crop</b>	<b>Rent Per Acre</b>	<b>Amount/Acre including leasehold excise tax*</b>	<b>Acres</b>	<b>Total</b>
Irrigated Row Crops	\$600	\$677.04	60.68	\$41,082.79
Irrigated Row Crops (Lessee-provided water)	\$300	\$338.52	25.54	\$8,645.80

(Leasehold excise tax is at a rate of 12.84 percent). 2020 Franklin County weed assessment was \$254.93, and conservation district assessment was \$58.20.

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.

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.

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) Vicinity Map
- 3) Overview 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.

D. Special Requirements.

Bidders will be required to provide proof of a legally valid water right with quantities sufficient to irrigate 25.54 acres.

D. Deposit

Check made out to the Department of Natural Resources:

Cash Bonus Bid	\$ _____
Total Deposit	\$ _____

F. Plan of Operation

Clearly state a plan of operation for each year of the proposed lease term. As a minimum, the plan must specify crops to be grown, acres to be planted, dates by which crops and acres will be planted, crop varieties, and crop rotation plans.

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.

Address any additional items requested in Subsection 2.02 of the proposed lease.

Optional: Bidders may submit a proposal for additional seasonal agribusiness uses on portions of premises, with rent at a negotiated rental rate. Describe proposed use, including acreage, period of use, and business plan for expenses and expected gross revenues.

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.

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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.

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Executed on behalf of the Commissioner of Public Lands this 30<sup>th</sup> day of September, 2020.

STATE OF WASHINGTON  
DEPARTMENT OF NATURAL RESOURCES

DocuSigned by:  
*Kathryn Mink*

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KATHRYN MINK  
Assistant Region Manager, Agriculture  
Southeast Region