

# STATE BOARD OF LAND COMMISSIONERS

August 16, 2022  
Information Item

## Subject

Reinvestment of the Agricultural College Endowment Land Bank Funds

## Background

The Idaho Department of Lands (Department) has worked with the Agricultural College since 2017 to sell 282 acres of Agricultural College endowment land (Property) located in the city of Caldwell that was no longer used for experimental farming. The Department requested and received approval to sell the property at the March 16, 2021 State Board of Land Commissioners' (Land Board) meeting (Attachment 1). The Property sold at public auction in November of 2021 for \$23,250,000. Pursuant to Idaho Code § 58-133, the proceeds of the auction were placed in the "land bank fund," to be used for the acquisition of real property or moved to the permanent endowment fund at the discretion of the Land Board.

## Discussion

The Agricultural College endowment is requesting that the proceeds from the sale of the Property be used to acquire 638.11 acres of farmland located 13 miles north of Rupert in Minidoka County (Attachment 2). In addition to purchasing the land, the Agricultural College is requesting that the remaining balance of Property auction proceeds is used for the construction of buildings on the land in Minidoka County.

The Department continues to review the proposals and work with the Agricultural College to bring forward a recommendation at a future Land Board meeting.

## Attachments

1. March 16, 2021 Approved Memo
2. Minidoka County Land Vicinity and Detail Maps

## STATE BOARD OF LAND COMMISSIONERS

March 16, 2021

Regular Agenda

### Subject

Approval to offer for auction Agricultural College endowment (Agricultural Endowment) land, known as the Caldwell Area Property Assemblage (Property), located at East Homedale Road and South 10th Avenue, Caldwell, Idaho

### Question Presented

Shall the Land Board direct the Department to dispose of the Property?

### Background

In September 2016, the Idaho Department of Lands (Department) met with representatives from the University of Idaho (University) seeking consideration from the Department and eventually, the State Board of Land Commissioners (Land Board), to dispose of the Property.

The Property considered for disposition is approximately 282 acres, divided into two separate legal lots of 161.73 and 120.25 acres, located in Canyon County (Attachment 1). The land came into state endowment ownership through the "in-lieu" land process. The State of Idaho and the General Land Office (federal land office) worked together to identify these lands for addition to the Agricultural Endowment portfolio. The Property was subsequently transferred into State of Idaho ownership with Clear List AC018BOI (Attachment 2) on January 31, 1908.

On land adjacent to the Property, the University built and maintained a veterinarian training facility commonly known as the Caine Veterinary Teaching Facility (CVTF). In addition, the University housed staff in structures on the Property and allowed the Idaho Department of Fish and Game to use a portion for storage and big game studies.

In 2020 the University sold the CVTF facility and the approximately 40 acres of land it owned adjacent to the Property. The University determined that the Property no longer serves the best interest of the University and would like to dispose of the Property.

The University requested and was granted an easement (Attachment 3) for the Property in 1947 to use as an "experimental farm and improvements thereon" for \$1. As part of the disposition process, the Department will require the easement to be released or terminated before the Property's marketing begins.

## Discussion

As part of the due diligence process, the Department sought guidance from CenturyPacific LLLP (CenturyPacific), the Land Board's real estate advisor, to determine if it is in the best interest of the Agricultural Endowment to divest of the Property. CenturyPacific completed a business plan (Attachment 4) that recommends "the Property should be aggressively marketed and sold pursuant to a sale process that is consistent with the State of Idaho constitution."

Over the past five years, the Department completed the necessary due diligence to prepare the Property for disposition which included appraisals, review appraisals, title commitment, ALTA survey, conceptual land-use plan, and an environmental site assessment. Upon Land Board approval, the Department will begin the process of hiring a real estate broker to market and facilitate the auction. The broker will post all due diligence materials for interested parties, including property-specific appraisals, review appraisals, environmental assessments, and preliminary title commitments. After the marketing period, the Department will offer the property for sale at auction in one or more parcels with the combined auction price beginning at the appraised value of \$5,726,000. The Department will follow the statutory requirements for the disposition of endowment land as provided in Idaho Code § 58-313 *et seq.*

The proposed schedule:

- Create a Property Information Portal for due diligence: 3/16/21
- Contract a real estate broker: 3/18/21 – 5/1/21
- Release or termination of easement executed
- Market the Property for a minimum of 60 days
- Advertise the legal notice for the public auction in the Idaho Statesman for five weeks prior to the auction
- Auction held between 7/15/21 – 8/30/21
- Closing to be held within 60 days of the auction

The terms of the sale will include:

- Live public auction held in Ada or Canyon County
- Starting bid not less than appraised value
- Bidders required to post a nonrefundable bid deposit equal to the greater of 3% of the appraised value or \$10,000, unless otherwise approved by the Department
- A buyer's premium of 3% added to the successful bid price
- No contingencies
- Buyer responsible for all closing costs and title insurance
- Closing within 60 days after close of auction

## Recommendation

Direct the Department to offer the Caldwell Area Property Assemblage for sale at auction in Ada or Canyon County upon confirmation of the University of Idaho's relinquishment of the 1947 easement.

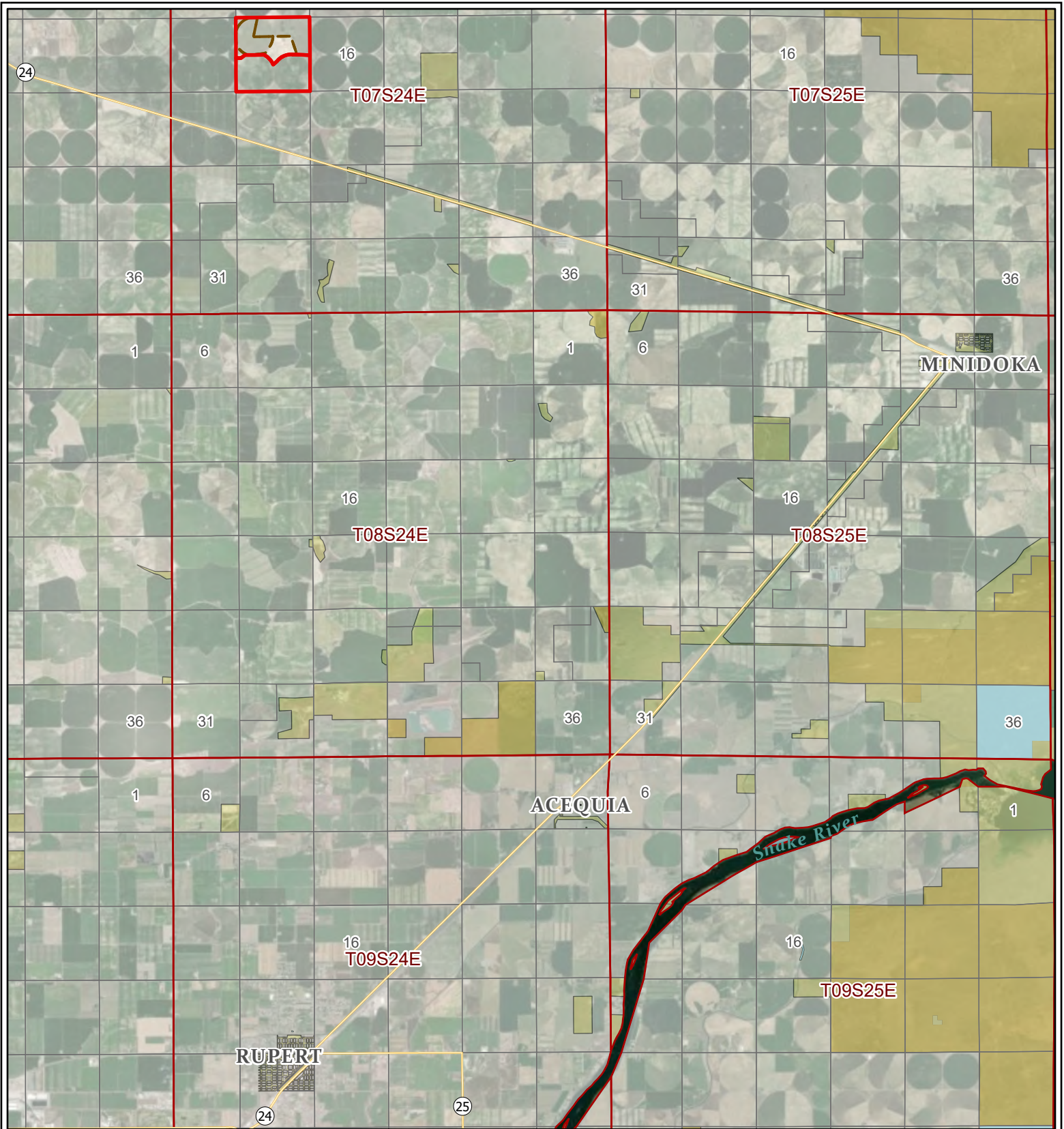
## Board Action

A motion was made by Attorney General Wasden that the Land Board direct the Department to offer the Caldwell Area Property Assemblage for sale at auction in Ada or Canyon County upon confirmation of the University of Idaho's relinquishment of the 1947 easement. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

## Attachments

1. Caldwell Area Property Assemblage map
2. Clear List Deed
3. University of Idaho Easement
4. Property Business Plan by CenturyPacific





Subject Property

Parcels

**Ownership**

Bureau of Land Management

National Wildlife Refuge

Bureau of Reclamation

State

Other State

Private

**CAFE Center Land**

Sec. 17 - T07S - R24E

Minidoka County, Idaho

8/4/2022



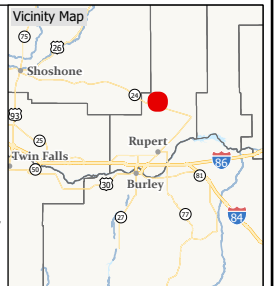
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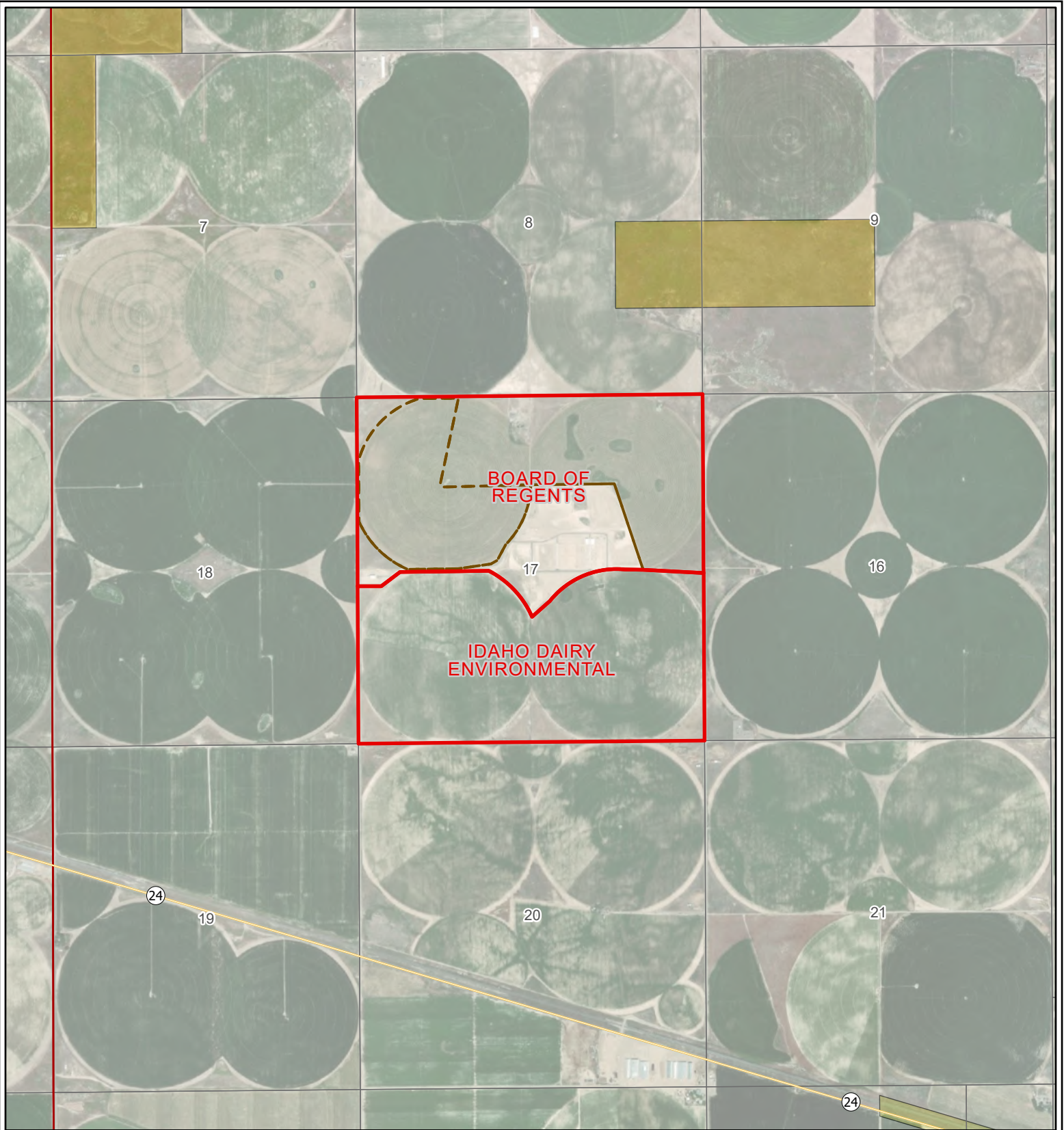
**Map Notes**

Projection: Idaho Transverse Mercator, NAD 83

Map Notes and Data Sources

Disclaimer:  
This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





Subject Property

Parcels

**Ownership**

Bureau of Land Management

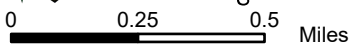
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