

# STATE BOARD OF LAND COMMISSIONERS

October 17, 2023

Regular Agenda

## Subject

Commercial Real Estate Advisor

## Question Presented

Shall the Land Board authorize the Department and the Investment Subcommittee to issue a request for proposals for a new commercial real estate advisor for the Land Board?

## Background

On September 20, 2023, the Idaho Department of Lands (Department) received notice that CenturyPacific LLLP desired termination of their role as commercial real estate advisor effective September 30, 2023. Termination by either party is allowed under the terms of the contract.

The role of commercial real estate advisor was established in 2015 consistent with the direction provided by the Asset Allocation and Governance Review from Callan, adopted by the State Board of Land Commissioners (Land Board) in 2014. The recommendations from Callan included obtaining expert professional guidance for the Land Board regarding management and disposal of commercial real estate assets.

The commercial real estate advisor has assisted the Land Board and the Department with analysis and review of commercial and transitional real estate assets, leasing opportunities, property valuation, land exchange opportunities, and more. Third party expert review of these complex issues adds to the expertise of the Land Board and the Department, helping ensure that decisions reflect the best interest of the endowment beneficiaries. The Department remains in need of this type of expertise.

## Discussion

To maintain the needed expertise and third party review capability, the role of commercial real estate advisor remains important. The Department could issue a Request for Proposals (RFP) seeking firms interested in filling the role.

The RFP and scope of work would be reviewed by the Land Board's Investment Subcommittee prior to issuance. Proposals received would be screened by Department staff prior to review by the Investment Subcommittee and subsequent Investment Subcommittee interviews of qualified firms. If a suitable firm is located, the Investment Subcommittee would make a recommendation to the Land Board regarding the selection of a commercial real estate advisor.

The scope of work for the RFP would describe responsibilities including but not limited to:

1. Review and recommendation regarding certain proposed land transactions.
2. Review and recommendation regarding certain leasing or other revenue opportunities.
3. Assistance with development and review of proposals related to certain parcels of endowment land.
4. Assistance with determining highest and best use of certain parcels of endowment land.
5. Assistance with valuation of certain parcels of endowment land.
6. Presentations to the Land Board when needed.
7. Other duties as appropriate.

Use of the commercial real estate advisor would typically involve relatively high value parcels or projects. The Land Board would have priority for use of the advisor over the Department should the use ever be in possible conflict. Expenses related to the advisor would utilize funds from the Department's existing budget, as has been the case since 2015.

### **Recommendation**

Authorize the Department and the Investment Subcommittee to develop and issue an RFP for a commercial real estate advisor, review the responses, interview candidate firms, and make a recommendation to the Land Board.

### **Board Action**

### **Attachments**

1. CenturyPacific LLLP notice of termination

Michael E. Finch  
PRINCIPAL

September 20, 2023

**Mr. Dustin Miller**

Secretary  
Idaho State Board of Land Commissioners  
300 N. 6th Street  
Boise, ID 82702  
dmiller@idl.idaho.gov

**Mr. Bill Haagenson**

Deputy Director  
Idaho Department of Lands  
300 N. 6th Street  
Boise, ID 82702  
whaagenson@idl.idaho.gov

**RE: Notice of Termination  
Commercial Real Estate Advisor Agreement**

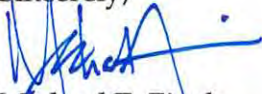
Dear Messrs. Miller and Haagenson,

Thank you for the opportunity to serve the State of Idaho Board of Land Commissioners ("Land Board") and the Idaho Department of Lands ("Department"). Beginning in 2015, CenturyPacific has thoroughly enjoyed building a strong relationship with the Land Board and the Department - working together to assess, reposition, monetize, exchange and activate previously underutilized and surplus commercial real estate assets with the collective goal of maximizing revenue and long-term value to the State of Idaho and the endowments served.

Pursuant to Section 13 of the Commercial Real Estate Advisory Agreement between State of Idaho Board of Land Commissioners and CenturyPacific, LLLP dated September 22nd, 2015, please accept this notice as termination of the contract. A termination effective as of September 30, 2023 is acceptable to CenturyPacific, LLLP, as there are currently no active advisory assignments or deliverables in progress. We are happy to work with the Department related to transitioning of files or the onboarding of a new advisor.

Our service to the State of Idaho as real estate advisor, and the trust received from the State, has been a privilege and will continue to be viewed by our firm as a rewarding assignment. We are grateful to have had the opportunity to work with you in service of the great State of Idaho.

Sincerely,



Michael E. Finch

CC: Michael A. Odegard