

STATE BOARD OF LAND COMMISSIONERS

June 18, 2024
Consent Agenda

Subject

Mineral Lease Live Auction – May 16, 2024

Question Presented

Shall the Land Board direct the Department to award a mineral lease to the high bidder at the live auction?

Background

The Idaho Department of Lands (Department) received an application for a sand and gravel mineral lease on a 45-acre parcel of Public School endowment land located in Bonner County, approximately 5 miles north of Spirit Lake (site maps included as Attachment 1). Pursuant to Idaho statute and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants, including the original applicant for the lease, were required to register for the live auction one week prior to the auction date. Department staff conducted the live auction.

Discussion

For the purpose of securing a single lessee for the mineral lease, a live auction was held on May 16, 2024, at the Department's Pend Oreille Lake Area office in Sandpoint. Premier, LLC submitted the successful premium bid of \$40,000 for mineral lease E200009. Two parties registered for the auction, including Interstate Concrete and Asphalt, the original applicant. The lease includes a 10-year term for the extraction of sand and gravel, including annual rent of \$250.00 (\$3.00 per acre or \$250.00 minimum); a minimum annual royalty payment of \$1,000.00 for the first five years and \$2,500.00 for the last five years; and a royalty rate of \$1.17 per short ton. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the State Board of Land Commissioners (Land Board) has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

Recommendation

Direct the Department to award mineral lease E200009 to Premier, LLC, the high bidder at the auction.

Board Action

Attachments

1. Site Maps for Mineral Lease E200009
2. Summary of Auction Results for Mineral Lease E200009



- Subject Lease
- Local Roads
- Bureau of Land Management
- US Forest Service
- State
- Other State
- Private
- Cities
- Interstate
- United States
- Idaho

E200009-Vicinity
 Section 16- Town 54N- Range 04W
 Bonner County, Idaho

2/13/2024

Miles

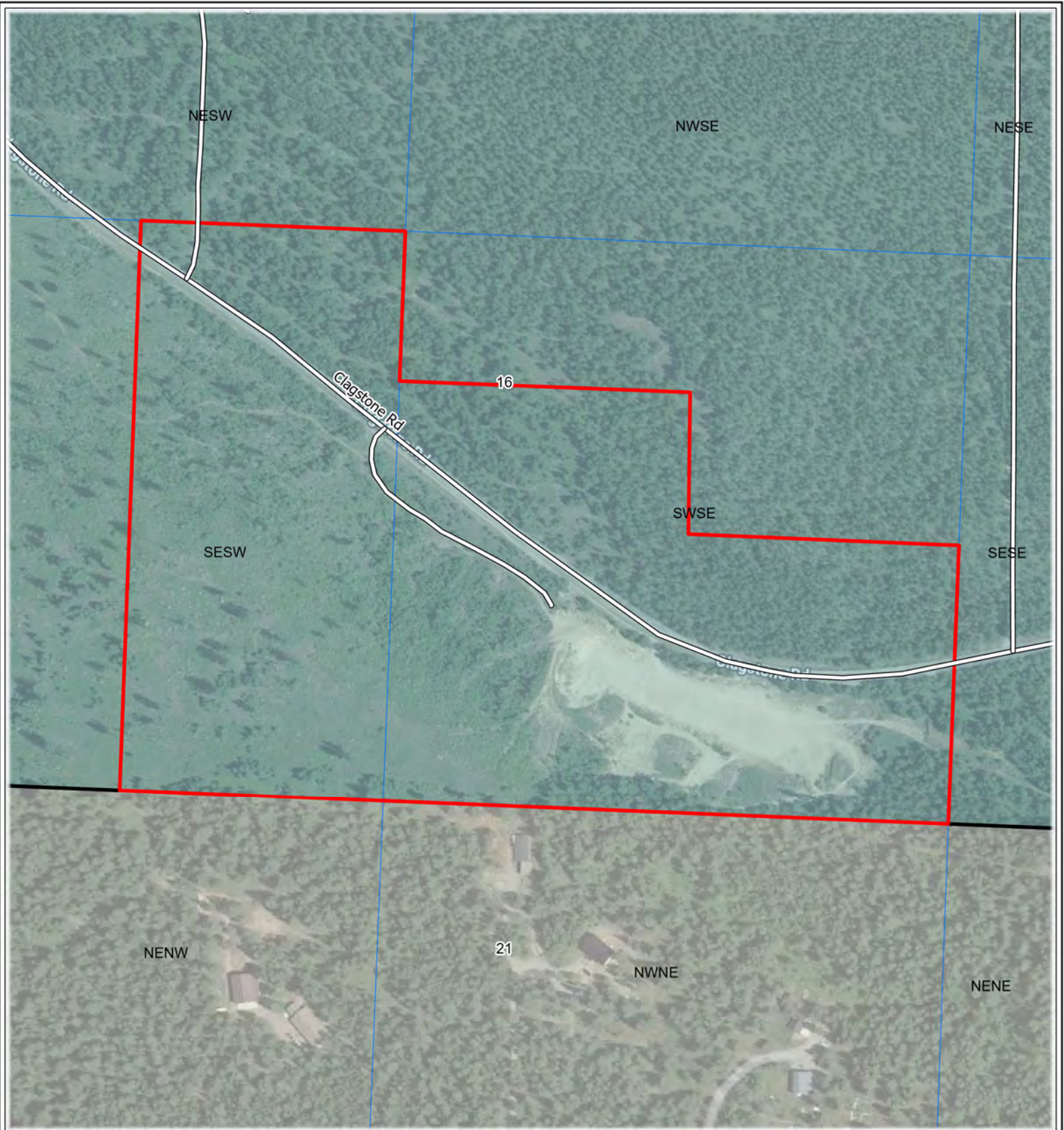
Map Notes

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 Lease
- Section
- State
- Private
- Roads

E200009-Detail
 Section 16- Town 54N- Range 04W
 Bonner County, Idaho

2/13/2024

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Summary of May 16, 2024 Mineral Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Pend Oreille Lake	E200009	PS	10	45	Sand & Gravel	2	12	\$40,000	Premier, LLC

Total: \$40,000