



NEWS RELEASE

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Idaho auctions seven commercial properties for \$17.3 million

(BOISE) – The Idaho Department of Lands (IDL) sold seven commercial properties today for \$17,265,000 at an auction in Meridian. All bids totaled \$4,475,000 above the appraised price of the properties.

Six commercial properties in Boise and one in Idaho Falls sold. Two other properties in Idaho Falls were offered for auction but did not sell.

Highlights from today's auction include:

- Three downtown Boise properties – the Sherm Perry building in which 10 Barrel is located (826 W. Bannock Street), the Garro building (816 W. Bannock Street), and the Garro building parking lot (822 W. Bannock Street) – sold together as one package for \$6,575,000, or \$2,030,000 more than the appraised price of the properties.
- Affordable Storage located at 448-450 S. Maple Grove Road in Boise sold for \$4.7 million, or \$1,690,000 more than its appraised price.
- The former bank building located at the corner of 8th and State Streets in downtown Boise across from the Capitol sold for \$1,475,000, or \$645,000 more than its appraised price.
- The office building located at 602 N. Fifth Street in downtown Boise – referenced as “Central Washington Place” – sold for \$4,185,000 with no competitive bidding.
- A parking lot located at 961 E. Lincoln Road in Idaho Falls sold for \$330,000, or \$110,000 more than its appraised price.

A full list of the auctioned properties and winning bids is attached.

Approximately 200 people attended the auction and there were 48 registered bidders.

The Idaho Constitution requires a public auction for the disposal of state endowment trust lands, and IDL can accept no less than the appraised value of the properties.

BACKGROUND

Endowment assets, including commercial property, are assigned by law to specific beneficiaries. The commercial property is owned by certain endowment beneficiaries including the Public Schools Fund, Normal School Fund, State Hospital South Fund, and the University of Idaho Fund.

Endowment lands are managed under a constitutional mandate to maximize long-term financial returns to the trust beneficiaries, the largest of which is Idaho's public school system. The State Board of Land Commissioners (Land Board)

– comprised of Idaho’s governor, secretary of state, attorney general, state controller and superintendent of public instruction – provides direction to IDL on the daily management of the Endowment lands.

The Land Board voted in 2016 to auction most IDL commercial properties. The decision was based on the recommendation by the Land Board’s general investment and real estate consultants that there was no compelling investment reason for direct ownership of commercial properties. A business plan prepared for the commercial properties pointed to current market conditions as well as the challenges and limitations IDL faces in efficiently owning and operating commercial real estate as reasons for divesting of most of the commercial properties. Additional information is available on the IDL website [here](#).

Proceeds from the sale of the properties may be used to purchase other lands in Idaho – such as timberland or farmland – to improve long-term returns for the endowed beneficiaries or may be directed to the permanent fund.

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Idaho Department of Lands
Commercial Property Auction - December 1, 2016

PROPERTY NAME	STREET ADDRESS	TYPE	APPRAISED VALUE	UPBID AMOUNT	WINNING BID AMOUNT	NOTES
Affordable Storage	448 & 450 S Maple Grove Road Boise, ID 83709	Self Storage	\$ 3,010,000	\$ 1,690,000	\$ 4,700,000	
Garro Building	816 W Bannock Street Boise, ID 83702	Office/retail	\$ 4,545,000	\$ 2,030,000	\$ 6,575,000	Properties at 816, 822, 826 W. Bannock St. sold as one package
Garro parking lot	822 W Bannock Street Boise, ID 83702	Parking	\$ -	\$ -	\$ -	
Sherm Perry (10 Barrel Brewing, tenant)	826 W Bannock Street Boise, ID 83702	Retail	\$ -	\$ -	\$ -	
800 W. State St. (former bank building)	800 W State Street Boise, ID 83702	Office/retail	\$ 830,000	\$ 645,000	\$ 1,475,000	
Central Washington Place	602 N Fifth Street Boise, ID 83702	Office	\$ 4,185,000	\$ -	\$ 4,185,000	
595 University, Idaho Falls	595 University Boulevard Idaho Falls, ID 83402	Office	\$ -	\$ -	\$ -	Did not sell
Lincoln Road Properties	961 E Lincoln Road Idaho Falls, ID 83401	Auto retail	\$ -	\$ -	\$ -	Did not sell
Lincoln Road - Govt Lot 2	Adjacent to: 961 E Lincoln Road Idaho Falls, ID 83401	Land	\$ 220,000	\$ 110,000	\$ 330,000	
			\$ 12,790,000	\$ 4,475,000	\$ 17,265,000	