

I. BACKGROUND

This Request for Proposal (“RFP”) is issued with the purpose of selecting a firm to provide commercial real estate expertise for the Idaho State Board of Land Commissioners (Land Board) and the Idaho Department of Lands (Department). The scope of services is further defined in Section III Scope of Services.

When Idaho was admitted to the Union as the 43rd state in 1890, it was granted over 3.6 million acres of land for the support of state institutions. The land was granted under the condition that it be managed in perpetuity as a trust for the beneficiary institutions. This mandate was codified in Article IX Section 8 of the Idaho Constitution, which states that the lands are to be managed, "...in such manner as will secure the maximum long term financial return to the institution to which granted." Chief among the endowments is Public School, which received two sections of every township in the state (1/18 of the total land base) to support public education. The eight other endowments include University (supports the University of Idaho), Agricultural College and School of Science (supports those programs at the University of Idaho), Normal School (benefits teacher education at Idaho State University and Lewis-Clark State College), Penitentiary, Charitable Institutions (includes Idaho State University, the soldiers' home, a juvenile corrections facility, State Hospital North, and a school for the deaf and blind), State Hospital South, and public buildings (now Capitol).

Each endowment has both permanent assets – which can never be spent – and a reserve fund of accumulated earnings that acts as a buffer against income volatility. The permanent assets include over 2.4 million acres of endowment trust land and money in a Permanent Fund. Investment earnings from the Permanent Fund as well as ongoing land revenues, such as the money from timber sales or cash returns from various leasing activities, go to the Earnings Reserve fund. The Land Board annually determines the allocation of the reserve account – how much to distribute to the beneficiaries, how much to transfer to the permanent fund to offset inflation, and how much to retain for future distribution.

The current portfolio of the Endowment includes timberland, rangeland, farmland, residential real estate, commercial real estate, cottage sites, other types of real estate investments, stocks, bonds, and cash. Management of endowment trust lands is entrusted to the Land Board, which is the fiduciary over both land and financial assets. The Department is the administrative arm of the Board and carries out the directives of the Land Board to meet the constitutional trust mandate. The Endowment Fund Investment Board (“EFIB”) was established to manage investment of the proceeds generated by the endowment lands within the State of Idaho and management of these financial assets is governed by the Idaho Uniform Prudent Investor Act (Chapter 5, title 68 Idaho Code).

In 2014, the Land Board adopted the recommendations made by Callan Associates in its Asset Allocation and Governance Review dated November 24, 2014 (the “Callan Report”). The report included a recommendation to hire a specialist real estate manager/consultant (“Commercial Real Estate Advisor”), reporting to the Land Board, to provide the analysis and management expertise on the retention, disposition and management of commercial properties. While a number of commercial properties were disposed of after careful analysis, some properties remain in the portfolio and other lands such as rangeland, for example, may transition to commercial real estate as communities in Idaho grow and develop.

There are certain statutory and constitutional considerations that are unique to the Endowment and cannot be changed. The Commercial Real Estate Advisor must take into account these and other considerations when

providing analysis and recommendations for the Land Board and/or the Department. The considerations include, among other things:

1. Article IX Section 8 of the Idaho Constitution states that the lands are to be managed, "...in such manner as will secure the maximum long term financial return to the institution to which granted." All endowment land, including commercial real estate, whether developed or undeveloped, is subject to this mandate.
2. For disposal, all properties must either be sold using a public auction process at a minimum sales price of appraised value, or exchanged for other land, when allowable by law.
3. Leasing. Endowment land may be made available for lease in a variety of ways, including, but not limited to the following methods:

(a) An interested party may make an application with the Department to lease endowment land and may provide a letter of intent or otherwise identify the intended use of the land. If the proposed use is acceptable to the Department, the Department may prepare a lease for the requested use of the land with input from the applicant;

(b) The Department may identify specific land available for lease and will have a prepared lease;

(c) The Department may identify land available for lease and may prepare a Request for Proposal ("RFP") for proposed uses and lease by interested parties. Interested parties may submit their proposals to use and lease the land. Proposals will be assessed by the Department to determine the best proposed use of the land. The Department will then prepare a lease with input from the successful proponent.

The Department will then advertise the land and lease as available for lease on the Department website and in a local newspaper for a period of thirty (30) days, during which time applications to lease may be submitted by interested parties. If there is only one applicant, then the applicant will get the lease. If there are two or more applicants, then a conflict auction will be held among the applicants; and, the successful bidder making the highest one-time premium bid will acquire the right to the lease.

4. Contracting for services and materials for properties may be subject to state procurement and purchasing statutes and policies.
5. Funding for capital items and operating deficits requires approval by the state legislature in an annual budgeting process.
6. Delegation of discretionary asset management to an external real estate asset manager is currently not an option, thus the role described in this RFP is purely non-discretionary. The role of the commercial real estate advisor includes providing independent expert advice and review for the Land Board on real estate matters.

II. PROCESS AND TIMING

All dates are subject to change depending upon circumstances.

The Land Board's Investment Subcommittee (Investment Subcommittee) is conducting this search, subject to the Land Board's selection of the finalist, if any, as explained in more detail below. All RFP responses will include the following to be considered:

- Signed transmittal letter stating the proposer's willingness to perform the services requested;
- Executive Summary of no more than four pages summarizing your proposal. Include an initial timeline for contracting, onboarding, and completing the asset management plans for the assets;
- Response to the RFP questionnaire;
- Comments on the contract, scope of services, and timing.

Questions on this RFP may be submitted to Jim Elbin (jelbin@idl.idaho.gov) and Bill Haagenson (bhaagenson@idl.idaho.gov) on or before February 2, 2024. Responses to the questions will be posted on the Land Board section of the IDL website (www.idl.idaho.gov/land-board/lb/index.html) no later than February 16, 2024. Interested parties shall not rely on verbal responses to questions.

Proposals are due on February 29, 2024 by 5 pm MST. Hard copies are not required. Please send an electronic copy to Jim Elbin and Bill Haagenson. The electronic submission should be in the following formats:

- Combine all documents into one PDF with a table of contents and page numbers on each page. The order of the PDF should be the Transmittal Letter, Executive Summary, RFP Questionnaire, each Excel worksheet, attachments, comments on the contract and scope of services, and disclosure forms.
- Submit Word versions of the RFP Questionnaire, biographies, and the Executive Summary.
- Submit the Excel file in Excel.

The Department will analyze all submittals and recommend one or more candidates (or no candidates) to the Investment Subcommittee. The Investment Subcommittee may interview all, some or none of the recommended candidate(s) and make a final recommendation to the Land Board on a finalist candidate or candidates or decline to make a recommendation.

Interviews with the Investment Subcommittee, if any, will occur in March or April. The recommended finalist candidate or candidates, if any, may be asked to present in person to the Land Board in April or May of 2024 in Boise for final consideration.

The Land Board reserves the right to waive or ask for the cure of minor variances from this RFP. Minor variances from this RFP are matters of form rather than substance or insignificant mistakes that can be waived or corrected without prejudice to other submitting firms. Updates or changes to this RFP, if any, will be posted on the Land Board section of the Department website. It is incumbent upon potential responders to check the website.

III. SCOPE OF SERVICES

The Scope of Services includes:

1. Develop, provide, and/or review financial data and analysis, determinations of property value, land use information, potential highest and best use evaluations, and consistency with Land Board policies and land management objectives as the preceding items pertain to proposed land acquisitions, dispositions, exchanges, leases and lease terms, permits, and other revenue-generating opportunities.
2. Develop, provide, and/or review Requests for Proposals (RFP) and responses received related to potential leases, permits, and revenue-generating opportunities on endowment land, and provide analysis of responses to the same. May be requested to participate in the award decision making process.
3. Provide third party real estate expertise to the Land Board/Department to help ensure that decisions are consistent with their fiduciary duty and prudent investor requirements.
4. Develop and present information pertaining to real estate issues for the Land Board, verbally and in writing, when requested.
5. Other tasks related to real estate analysis, planning, and transactions to assist the Land Board/Department as needed.

IV. CONTRACT TERMS AND CONDITIONS

The selected Commercial Real Estate Advisor, if any, will enter into a Commercial Real Estate Advisor Agreement included as Attachment 1 in draft form. The Land Board reserves the right to negotiate the terms and conditions of the Commercial Real Estate Advisor Agreement with the candidates selected by the Investment Subcommittee.

1. Candidates are encouraged to submit questions on the draft contract by the required date.
2. Candidates are encouraged to modify the scope of services section of the draft contract to indicate additional deliverables they recommend be included and to indicate which items they recommend be deleted or modified.
3. A response in your proposal of “agreement in concept” or similar vague wording will be deemed to mean you are in full agreement with all details.
4. Legal counsel for the state may contact your firm to resolve any contract issues in advance of the selection of the candidate(s) selected to make a presentation to the Land Board.
5. The Land Board reserves the right not to further negotiate the terms of the contract on matters whether or not raised by a submitting firm in the question period or listed as questions or concerns in the firm’s proposal. The Land Board may negotiate if negotiations are in its best interests.

V. REQUEST FOR PROPOSAL QUESTIONNAIRE

Please provide a Word/PDF/Excel (as appropriate) response to the items in this questionnaire with current information unless otherwise specified. All information should be as of January 31, 2024.

CONTACT INFORMATION

Firm:

Product:

Date:

Firm Address:

Primary Contact:

Title:

Address:

Phone:

Email:

Fax:

All statements, information and representations made by my firm during the Search Process are complete and accurate. For purposes of this questionnaire, "Search Process" means all information and documentation provided by my firm in connection with the evaluation including our introductory letter, responses to the due diligence questionnaire and related materials.

Authorized Signature:

Name (print):

Date:

SECTION I: ORGANIZATION

1. Firm Name:
2. Main Office Address:
3. Please provide a description of your firm's history and current lines of business, including a discussion of any mergers or acquisitions, significant developments, organizational or ownership changes, downsizings, funds or businesses launched and closed within the past 7 years. Include date of SEC registration and an explanation of the ownership structure of your firm and that of the parent or joint venture partner, if applicable. Provide a complete form ADV (Parts I and II) as an attachment to this response and label as such if you are a registered investment advisor.
4. Please provide a chart(s) detailing the firm's organizational structure in the Appendix.
5. List the location of all offices that would be involved in providing services under this contract, the opening date of the office(s), and indicate whether the office(s) is used for portfolio management, research, acquisitions, property management, marketing, client servicing or other functions. If other, please provide a description of functions performed.

Office Address	# Employees	Opening Date	Function

6. Name all regulatory registered entities affiliated with the firm and the relationship to the management of the entity responsible for providing services for this mandate. Include the dates of registration for each entity.
7. Provide a summary of the firm's lines of business related to real estate investing, management, or advisory services in the U.S. including private real estate assets under management by NCREIF region (gross and net).
8. Are you currently, or have you ever been, out of compliance with the SEC, DOL or any other regulatory agency? If yes, please explain and indicate whether any orders or sanctions have been issued against your firm or affiliate.
9. When was your most recent SEC or other regulatory agency inspection or examination? Please provide copies of the findings from all inspections or examinations within the past five years and highlight any identified deficiencies or issues. Please provide copies of the management letter and describe the actions that have been taken in response to the feedback received.
10. Describe the levels of coverage for SEC-required (17g-1), or equivalent regulatory agency-required, bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage, the coverage amount and deductible.

11. Please describe the status of any outstanding or pending insurance claims.
12. Has your firm or advisory affiliate received any subpoenas or information requests (formal or informal / federal or state) relating to money management activities?
13. Has your firm faced, or is there reason to believe that it may face in the foreseeable future, litigation or investigation? If yes, provide a detailed explanation and indicate the current status of proceedings.
14. Has any officer or principal of your organization been involved, or is there reason to believe that any officer may be involved in the foreseeable future, in litigation relating to investment activities, fraud, or breach of trust? If yes, provide a detailed explanation and indicate the current status of proceedings.
15. Has any regulatory body issued any orders or other sanctions against your firm or any advisory affiliate?
16. Has your firm or any member of your firm been convicted of, or plead guilty to, any felony, misdemeanor or civil enforcement proceedings in the past ten years? If yes, provide a detailed explanation and indicate the current status of proceedings.
17. Complete all that apply:

	Year
Founded Parent	
Founded Proposed Product Platform	
Began Managing Private Real Estate	

18. Type of firm (check one):

Bank/Trust Co.	
Bank Affiliate	
Merchant Bank Affiliate	
Broker	
Broker Affiliate	
Joint Venture	
Investment Bank Affiliate	
Group Trust	
Insurance Company Affiliate	
Limited Partnership	
Insurance Company	
Other (describe)	

19. Ownership structure (check one):

Publicly-Owned	
Partnership	

Employee-Owned	
Subsidiary of (describe)	
Other (describe)	

20. Describe the ownership structure of the firm. Have there been any changes in the ownership structure of your firm in the last seven years? If yes, describe the nature of the change..
21. Are there anticipated changes in the ownership structure? Please describe in detail.
22. Describe your firm's business plan for the next three years.
23. Please describe who manages the firm and how decisions with regard to firm management and strategic direction are made?
24. Please describe your succession plan for key leadership and professionals at the firm.
25. Describe any conflicts of interest your firm may have in relation to the assignment.
26. Do any professionals of your organization own commercial real estate in Idaho or do you advise on other Idaho specific mandates? Please provide details.
27. If your firm is an affiliate/subsidiary of a larger organization, what percent of the parent's total revenue was generated by your organization?

2023	
2022	
2021	
2020	

28. Please provide a breakdown of your firm's revenue by major business line for each of the past five years
29. At the fee level proposed, approximately what percentage of firm revenue would this assignment comprise?
30. What level of assets under management or advisement is required for your firm to break-even?
31. Please provide the date and the results of your most recent internal and external audit. What were the issues and how were they resolved? Please provide a copy of the auditors' opinion. Please provide a copy of the management letter and describe the actions that have been taken in response to the recommendations received.

SECTION II: PERSONNEL

1. Provide a breakdown of total employees for the overall organization, as of March 31, 2015. If a person has multiple responsibilities, use the person’s primary job description for classification. Do not double count employees.

Function	Current	Planned Hires
Executive Management		
Portfolio Management		
Economist/Research		
Acquisitions		
Dispositions		
Asset Management		
Property Management		
Client Service/Marketing		
Accounting/Financial		
Administrative		
Other (describe)		
Total Professionals		

2. On the chart below or a similar attachment list all professionals who would be instrumental in the development, review, and recommendation of the asset management plans. Identify the lead and primary contact.

Name	Title	Office Location	Years at the Firm	Years RE Experience	Equity Partner (Y/N,%)	Member of Investment Committee	Assigned to Account

3. Please provide in Word format as an Attachment to this response, professional biographies of all individuals on the chart above.
4. Who is the most senior member of the team responsible for research?
5. Describe your firm’s compensation structure
 - a. How is compensation determined overall?
 - b. What is the typical percentage split among base salary, bonus and other forms of compensation? Describe other forms of compensation.
 - c. What long-term retention incentives are there for key employees?

- d. List all professionals with employment contracts and the expiration dates of those contracts (for those who may assist with fulfilling the scope of work).
6. Please list in detail the proposed lead's other duties and accounts. Please discuss the percentage of time required for each account and percentage of time that will be spent on this assignment.
7. Please discuss why you believe the team proposed for this assignment is qualified for this account? Please be specific and relate your answers to the experience of each team member with the types of assets to be analyzed and the scope of services.

SECTION III: ASSETS UNDER MANAGEMENT

Please provide Excel worksheets detailing assets under management or advisement

SECTION IV: EXPERIENCE

1. Describe your experience related to items in the scope of work and provide three recent examples.
2. Please provide detail on any other experience that you believe is relevant to this assignment and to your ability to fulfill the mandate.
3. To the extent that your answers to the previous questions did not specifically address the following areas, please comment on your experience for:
 - Purchase, management and/or sales of real estate assets in Idaho
 - Commercial ground leasing
 - Leasing of commercial buildings
 - Estimating real estate value
4. Have you sold properties using any type of an auction process (online or in person)?
5. Describe your experience with land investments including highest and best uses analysis, obtaining entitlements, and development.

SECTION V: FEES

Please describe your fee proposal:

- A single per hour fee, including expenses, for all items in the Scope of Services.

Function	Per Hour Fee Rate
Executive Management	
Managing Director	
Senior Vice President	
Vice President	
Assistant Vice President	
Associate	
Analyst	
Administrative	

Fees will be paid on a monthly basis for work done under the Scope of Services, after receipt of an itemized invoice for services rendered during the previous month.

The Land Board reserves the right to negotiate fees during the selection process.

SECTION VI: CONTRACT TERMS

Please state whether your firm accepts the draft consulting contract or list specific concerns and proposed revisions in contract language.

SECTION VII: REFERENCES

Please provide three client references for which similar services have been provided.