



Land Board approves more auctions of State owned lake lots

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(BOISE) - **Families involved in this year's unsuccessful cottage site land exchange proposals will have the opportunity to participate in voluntary sale auctions in 2014. The sales are an opportunity for those families to try to acquire deeded ownership of the State owned lands beneath their homes at Priest Lake and Payette Lake.**

The 2014 auctions for ownership could transition potentially 90 or more of the 500-plus cottage site lots into private ownership in the next year.

The State Board of Land Commissioners (Land Board) approved the Idaho Department of Lands' (IDL) recommendation this morning to offer the voluntary auction opportunity to **74 cottage site lessees at Priest Lake and 21 cottage site lessees at Payette Lake.**

The public auction for Payette Lake lots is tentatively planned for late February or early March 2014. The public auction for Priest Lake lots likely will take place by the end of summer 2014.

The IDL is constitutionally required to hold a public auction for the direct sale of state endowment trust lands, so **the cottage site lots will be available for anyone to bid.** Local, regional, and national marketing of the sites will take place in an effort to increase competitive bidding on the sites, consistent with the constitutional mandate to maximize income from the sale and use of the lands.

Why is this opportunity being offered to former land exchange participants and not all lessees?

In October the Land Board did not approve three land exchange proposals that would have traded dozens of cottage site lots for lands in other parts of Idaho.

The Board denied the proposals based on legal and policy related concerns. Since then IDL also has suspended all pending and future land exchange proposals from consideration or further evaluation.

The auction opportunity is being offered to participants in the unsuccessful cottage site land exchange proposals for several reasons, but mainly because **a unique and time sensitive business opportunity exists as these lessees are ready, willing and financially able buyers who are highly motivated and already have been well vetted through the land exchange due diligence process.**

What is being auctioned?

The auction will be for **land only.**

At Payette Lake, the land value will be based on appraisals performed in late 2012 and 2013. At Priest Lake, the land value will be based on re-appraised values of the lands, which will be available in early 2014.

For each lot being auctioned, IDL can accept a winning bid no less than the appraised (market) value of the lot.

If a bidder other than the current lessee wins the auction, that person must pay the current lessee the market value of their personal property (i.e. cabins).

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Background

Congress granted Idaho 3.6 million acres of "state endowment trust land" at statehood, for the sole purpose of generating maximum income in perpetuity for the future of the new State - Idaho's public schools and other important State institutions.

Money was to be generated through management activities that emulate private sector land management, such as selling timber grown on the lands, offering leases for grazing, and a number of other uses.

Since the 1920s or earlier, the portfolio of state endowment trust lands has included lakefront and upland properties known as cottage sites.

The State endowment trust owns the land and the individuals and families that lease the lands own the cabins and other improvements on the lands.

Because of this split ownership scenario, it has become increasingly difficult to manage and obtain market value through leasing.

Therefore, the Land Board voted in 2010 to divest State ownership of most of the lots over time and reinvest in other assets that produce higher returns.

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