



## Idaho will sell 180 more lake lots by end of 2017

October 28, 2014

(BOISE) - The State Board of Land Commissioners (Land Board) voted unanimously today to put **180 more State-owned leased lake lots on the auction block over the next three years.**

The Land Board's vote directs the Idaho Department of Lands (IDL) to auction 60 leased lots known as "cottage sites" annually between Priest Lake in northern Idaho and Payette Lake in west-central Idaho. **The plan would result in the divestiture of approximately two-thirds of the State-owned cottage sites by the end of 2017.**

The recommended number of lots to be auctioned annually is based a 2010 study, the Cottage Site Plan, which called for auctioning roughly 60 leased lots per year. The number also is based on IDL administrative capacity and the ability to maintain quality assurance, which is directly impacted by the number of lots being processed in a single auction.

**Cottage site auctions for ownership are voluntary, meaning the current leaseholder decides whether to initiate the process to have the lot they lease auctioned.**

A selection window will be opened to all leaseholders at both lakes next month. Each lake's share of the 60 lots to be auctioned in a year will be determined by lessee interest and the proportion of endowment ownership at each lake. Using computerized random selection, applicants then will be selected for auction cycles for 2015, 2016 and 2017. Applicants will be informed before by Dec. 15, 2014, about which auction cycle they secured.

In addition, the Land Board directed IDL to consider issuing numbers to lessees beyond the 180 lots approved for auction over the next three years, putting them in a queue for future auctions if they are eligible. IDL will report back to the Land Board at its Dec. 16, 2014, meeting regarding the viability of such a proposal.

Unleased lots, including vacant lots and lots under a short term land use permit, also may be offered at each lake in addition to the 60 lots auctioned annually, through a separate application process that is yet to be developed.

**Since October 2013, IDL has auctioned 93 lots for approximately \$38.8 million - almost one-fifth of all the cottage sites at Priest Lake and Payette Lake. An auction for another 36 lots at Payette Lake already was approved by the Land Board and will take place in January 2015.**

The land is owned by the State of Idaho and managed by the Land Board and the IDL under a **constitutional mandate to maximize long-term financial returns for public schools and other State institutions.** The homes and other improvements on the land are owned by private individuals as personal property. The homeowners lease the land from the State, and some families have been leasing the same lot for decades. **In 2010, the Land Board voted to sell the lots over time.**

The plan approved today provides leaseholders some predictability in how long they may expect to continue leasing before having an opportunity to acquire ownership through the auction for ownership process. It also signals to prospective buyers who are not current leaseholders that the lots are available for open, competitive bidding. **The Idaho Constitution requires a public auction for sale of endowment lands.**

The State Board of Land Commissioners is comprised of Idaho's governor, attorney general, secretary of state, state controller and superintendent of public instruction.

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### To be eligible to apply for auction participation, a leaseholder must:

1 - be a lessee in good standing and not otherwise indebted to the State of Idaho

2 - not be named in litigation against the Land Board, which may affect valuations or lease terms

3 - not have a conflicted lease

4 - have either executed a long term residential lease or have applied to lease pending completion of the challenge appraisal process (persons failing to execute a lease upon final establishment of appraised value will lose eligibility)

5 - have completed the New Drainfield Lot process, if necessary, prior to scheduling a pre-application meeting in 2016 or 2017 (applicable to Priest Lake only)

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