



NEWS RELEASE

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Land Board approves purchase of timberland in Idaho County

(Boise) The State Board of Land Commissioners (Land Board) voted today to purchase Maggie Butte, a 2,378 acre contiguous block of timberland in Idaho County, for \$2.5 million from Potlatch Forest Holdings, Inc. (Potlatch).

Maggie Butte is comprised of ten parcels at the east end of the Glenwood Prairie, east of Kamiah. The Land Board authorized the Idaho Department of Lands (IDL) in April to perform due diligence on the purchase.

The due diligence process found the purchase would provide multiple benefits to the Public School Endowment. Acquiring the Potlatch property will block up the endowment property and as a result, make management efforts easier and more efficient. It would likely be harvestable in as early as five years on existing mature stands, and within approximately 20-40 years on established plantations and naturally regenerated stands. The return on investment exceeds the minimum return of 3.5 percent required by the Land Board's Strategic Reinvestment Plan.

"This is the first substantial timber acquisition since the Land Bank Fund was established by Constitution in 2001," said IDL Director Tom Schultz. "It not only blocks up endowment lands making management easier, it also provides a rate return for the beneficiary that easily exceeds our minimum return requirement, and strengthens our overall timber portfolio. This purchase is indicative of the type of acquisitions we will be making under strategic reinvestment."

The Land Board approved the Strategic Reinvestment Plan in May, allowing money deposited into the Land Bank Fund from the sale of cottage sites and commercial properties to be reinvested in timberland and farmland that meet certain criteria.

The Land Board also can direct money in the Land Bank to the Permanent Fund. Money in the Permanent Fund can never be spent but is invested by the Endowment Fund Investment Board. Earnings from those investments are distributed to public schools and other beneficiaries of endowment lands and funds.

The balance in the Land Bank is approximately \$52.8 million, mostly resulting from the sale of cottage sites since 2015.

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

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