



NEWS RELEASE

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Idaho Land Board chooses option for reinvesting money from sale of residential and commercial properties

(BOISE) – The State Board of Land Commissioners (Land Board) voted unanimously today to consider strategic acquisitions of timberland and, on a more limited basis, farmland, with proceeds from the sale of residential cottage sites and commercial properties.

Timberland and farmland assets can produce sustainable income and help diversify the total endowment portfolio.

The Land Board approved the "[Strategic Reinvestment Plan](#)," developed by its general consultant, Callan Associates. The plan was introduced to the Land Board in March and was open for public comment for a month. IDL staff also met with a wide range of stakeholders, including many county commissioners, education, agriculture, conservation, recreation and forest products industry representatives.

Responses were primarily neutral to supportive of IDL purchasing timberland or farmland to benefit the endowments. A few agricultural groups and individuals expressed concerns about the existing amount of public land in the state and the potential impacts to counties through loss of tax revenues if the State were to acquire additional lands. A process will be established to evaluate potential transactions for acquisition of those types of lands using proceeds from sales of cottage sites and Idaho commercial real estate properties managed by IDL.

Idaho received approximately 3.65 million acres of land in trust from the federal government through the Idaho Admissions Bill at statehood. Some endowment lands were sold over time, with most activity between 1900 and 1940. The endowments now own approximately 2.44 million surface acres and 3.3 million acres of minerals.

Proceeds from land sales were only deposited in the Permanent Fund until 2001, when the Idaho Constitution was amended to create the Land Bank fund. Proceeds from the sale of endowment lands can be placed in the Land Bank Fund to be used to purchase other properties in order to provide continued earnings for endowment beneficiaries.

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 \$31.85 million, mostly resulting from the sale of cottage sites since 2015. The [Land Board approved a plan in February](#) that enables remaining lessees of residential cottage sites at Priest Lake and Payette Lake to participate in auctions of the lots they lease before the end of 2019. The Land Board also approved plans that may result in the sale of most commercial real estate properties managed by IDL before the end of 2017.

The disposition of cottage sites and Idaho commercial real estate is projected to produce additional sale proceeds of approximately \$130 million by FY2020.

Since 2012, the Land Board has transferred approximately \$46 million from land sale proceeds to the Permanent Fund. That represents about one-fourth of the total value of all cottage sites and commercial properties that are expected to be sold by FY2020.

If all present and future sale proceeds from cottage sites and commercial were reinvested in timber and farm lands, the endowments would regain approximately 10 percent of the acreage previously sold.

The Land Board also voted today to approve the updated Asset Management Plan and the Investment Policy Statement. These documents lay the foundation for the recommendation in the Strategic Reinvestment Plan.

The Land Board provides direction to the IDL in managing 2.4 million acres of endowment lands in Idaho under a constitutional mandate to maximize long-term financial returns from the use and sale of the lands. Earnings from the lands and invested funds support Idaho's public school system and other State of Idaho institutions.

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