

State Board of Land Commissioners Open Meeting Checklist

Meeting Date: December 15, 2020

Regular Meetings

12/3/2020	Notice of Meeting posted in prominent place in IDL's Boise Headquarters office five (5) or more calendar days before meeting.
12/3/2020	Notice of Meeting posted in prominent place in IDL's Coeur d'Alene Headquarters office five (5) or more calendar days before meeting.
12/3/2020	Notice of Meeting posted in prominent place at meeting location five (5) or more calendar days before meeting.
12/3/2020	Notice of Meeting emailed/faxed to list of media and interested citizens who have requested such notice five (5) or more calendar days before meeting.
12/3/2020	Notice of Meeting posted electronically on IDL's public website www.idl.idaho.gov five (5) or more calendar days before meeting.
12/9/2020	Agenda posted in prominent place in IDL's Boise Headquarters office forty-eight (48) hours before meeting.
12/9/2020	Agenda posted in prominent place in IDL's Coeur d'Alene Headquarters office forty-eight (48) hours before meeting.
12/9/2020	Agenda posted in prominent place at meeting location forty-eight (48) hours before meeting.
12/9/2020	Agenda emailed/faxed to list of media and interested citizens who have requested such notice forty-eight (48) hours before meeting.
12/9/2020	Agenda posted electronically on IDL's public website www.idl.idaho.gov forty-eight (48) hours before meeting.
12/9/2019	Land Board annual meeting schedule posted – Boise Director's office, Coeur d'Alene staff office, and IDL's public website www.idl.idaho.gov

Special Meetings

	Notice of Meeting and Agenda posted in a prominent place in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in a prominent place in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted at meeting location twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website www.idl.idaho.gov twenty-four (24) hours before meeting.
	Emergency situation exists – no advance Notice of Meeting or Agenda needed. "Emergency" defined in Idaho Code § 74-204(2).

Executive Sessions *(If only an Executive Session will be held)*

	Notice of Meeting and Agenda posted in IDL's Boise Director's office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted in IDL's Coeur d'Alene staff office twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda emailed/faxed to list of media and interested citizens who have requested such notice twenty-four (24) hours before meeting.
	Notice of Meeting and Agenda posted electronically on IDL's public website www.idl.idaho.gov twenty-four (24) hours before meeting.
	Notice contains reason for the executive session and the applicable provision of Idaho Code § 74-206 that authorizes the executive session.


Recording Secretary

December 9, 2020

Date



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

NOTICE OF PUBLIC MEETING DECEMBER 2020

The Idaho State Board of Land Commissioners will hold a Regular Meeting on Tuesday, December 15, 2020 in the State Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W Jefferson St., Boise. The meeting is scheduled to begin at 9:00 AM (Mountain).

**The State Board of Land Commissioners will conduct this meeting by virtual means;
at least one Board member will attend the meeting at the physical location.**

This meeting is open to the public. Due to the Governor's [Stage 2 Stay Healthy Order](#), dated 11/13/2020, gatherings, including public meetings, are limited to 10 persons or less in physical attendance. Individuals are highly encouraged to watch online or via webinar.

Meeting will be streamed live at <https://www.idahoptv.org/shows/idahoinsession/>

Members of the public may register to attend the meeting via Zoom by clicking on the following link:
https://idl.zoom.us/webinar/register/WN_CFHZJYI3RwGm4CXD2KIXRg

All in-person attendees must comply with current COVID-19 safety protocols for public gatherings in the City of Boise, including but not limited to wearing face coverings and observing physical distancing. Physical distancing measures reduce the meeting room's normal attendance capacity.¹

¹ www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/ AND www.cdhd.idaho.gov/dac-coronavirus

First Notice Posted: 12/03/2020-IDL Boise; 12/03/2020-IDL CDA

This notice is published pursuant to § 74-204 Idaho Code. For additional information regarding Idaho's Open Meeting law, please see Idaho Code §§ 74-201 through 74-208.

Idaho Department of Lands, 300 N 6th Street, Suite 103, Boise ID 83702, 208.334.0242



Idaho State Board of Land Commissioners

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State Board of Land Commissioners Regular Meeting

December 15, 2020 – 9:00 AM (MT)

Final Agenda

Capitol, Lincoln Auditorium (WW02), Lower Level, West Wing, 700 W. Jefferson St., Boise, Idaho

**The State Board of Land Commissioners will conduct this meeting by virtual means;
at least one Board member will attend the meeting at the physical location.**

This meeting is open to the public. No public comment will be taken. The Governor's [Stage 2 Stay Healthy Order](#), dated 11/13/2020, limits gatherings, including public meetings, to 10 persons or less in physical attendance. Individuals are highly encouraged to watch online or via webinar.

Meeting will be streamed live at <https://www.idahoptv.org/shows/idahoinsession/>

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Two video presentations will immediately precede the State Land Board Meeting

- **Big Check: Public School Endowment FY2021 Distributions**
- **Department of Lands' Year-in-Review**

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

- A. Timber Sales – November 2020
- B. Leases and Permits – November 2020

¹ www.cityofboise.org/departments/mayor/coronavirus-covid-19-information/ AND www.cdhd.idaho.gov/dac-coronavirus

2. Endowment Fund Investment Board Report – *Presented by Chris Anton, EFIB Manager of Investments*

- A. Manager's Report
- B. Investment Report

Consent—Action Item(s)

- 3. Forest Legacy-Fleming West and Fleming East Conservation Easements** – *Presented by Craig Foss, State Forester and Division Administrator-Forestry and Fire*
- 4. Jerome Surplus Property (Idaho Military Division)** – *Presented by Josh Purkiss, Program Manager-Real Estate*
- 5. Approval of Draft Minutes** – November 17, 2020 Regular Meeting (Boise)

Regular—Action Item(s)

- 6. Contested Case Hearing Request for Lease M700086** – *Presented by Darrell Early, Division Chief-Natural Resources, Office of the Attorney General*

Information

- 7. Payette Endowment Lands Strategy – Written Proposal** – *Presented by Ryan Montoya, Bureau Chief-Real Estate Services*

Executive Session

None



Idaho Statutes

TITLE 74 TRANSPARENT AND ETHICAL GOVERNMENT CHAPTER 2

OPEN MEETINGS LAW

74-206. EXECUTIVE SESSIONS – WHEN AUTHORIZED. (1) An executive session at which members of the public are excluded may be held, but only for the purposes and only in the manner set forth in this section. The motion to go into executive session shall identify the specific subsections of this section that authorize the executive session. There shall be a roll call vote on the motion and the vote shall be recorded in the minutes. An executive session shall be authorized by a two-thirds (2/3) vote of the governing body. An executive session may be held:

(a) To consider hiring a public officer, employee, staff member or individual agent, wherein the respective qualities of individuals are to be evaluated in order to fill a particular vacancy or need. This paragraph does not apply to filling a vacancy in an elective office or deliberations about staffing needs in general;

(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against, a public officer, employee, staff member or individual agent, or public school student;

(c) To acquire an interest in real property not owned by a public agency;

(d) To consider records that are exempt from disclosure as provided in chapter 1, title 74, Idaho Code;

(e) To consider preliminary negotiations involving matters of trade or commerce in which the governing body is in competition with governing bodies in other states or nations;

(f) To communicate with legal counsel for the public agency to discuss the legal ramifications of and legal options for pending litigation, or controversies not yet being litigated but imminently likely to be litigated. The mere presence of legal counsel at an executive session does not satisfy this requirement;

(g) By the commission of pardons and parole, as provided by law;

(h) By the custody review board of the Idaho department of juvenile corrections, as provided by law;

(i) To engage in communications with a representative of the public agency's risk manager or insurance provider to discuss the adjustment of a pending claim or prevention of a claim imminently likely to be filed. The mere presence of a representative of the public agency's risk manager or insurance provider at an executive session does not satisfy this requirement; or

(j) To consider labor contract matters authorized under section 74-206A (1)(a) and (b), Idaho Code.

(2) The exceptions to the general policy in favor of open meetings stated in this section shall be narrowly construed. It shall be a violation of this chapter to change the subject within the executive session to one not identified within the motion to enter the executive session or to any topic for which an executive session is not provided.

(3) No executive session may be held for the purpose of taking any final action or making any final decision.

(4) If the governing board of a public school district, charter district, or public charter school has vacancies such that fewer than two-thirds (2/3) of board members have been seated, then the board may enter into executive session on a simple roll call majority vote.

History:

[74-206, added 2015, ch. 140, sec. 5, p. 371; am. 2015, ch. 271, sec. 1, p. 1125; am. 2018, ch. 169, sec. 25, p. 377; am. 2019, ch. 114, sec. 1, p. 439.]

STATE BOARD OF LAND COMMISSIONERS

December 15, 2020

Trust Land Revenue

Timber Sales

During November 2020, the Department of Lands sold six endowment timber sales at auction. The endowment net sale value represents a 28% up bid over the advertised value. The Chop Cedar sale is a helicopter sale and only had one bidder. The West Shanghai Cedar sale is a conventional ground based/cable-based harvest system and had multiple bidders. The two OSR sales sold for the appraised value due to the low volume per acre within the sale areas. Silverback sold for appraised, as one qualified bidder did not have an original bid bond at time of auction. The Upper Crystal sale had competitive bidding. The Caribou Conks Pulp sale will be auctioned for a third time using salvage sale minimum prices. The Department of Lands also sold one Parks & Recreation sale in Ponderosa State Park with a 47% up bid over the advertised value and one Good Neighbor Authority sale on the Payette National Forest at the appraised value.

TIMBER SALE AUCTIONS								
Sale Name	Area	Sawlogs MBF	Cedar Prod MBF	Pulp MBF	Appraised Net Value	Sale Net Value	Net \$/MBF	Purchaser
Chop Cedar	SJ	5,955			\$ 1,430,788.50	\$ 1,430,788.50	\$240.27	Stella-Jones Corp
Hodson Point OSR	CLW	1,380			\$ 198,283.00	\$ 198,283.00	\$143.68	IFG Timber LLC
Silverback	CLW	6,605			\$ 905,951.00	\$ 905,951.00	\$137.16	IFG Timber LLC
West Shanghai Cedar	CLW	4,030	245		\$ 2,134,847.00	\$ 3,131,134.00	\$732.43	Alta Forest Prod
Upper Crystal	SJ	7,015	130		\$ 1,299,665.00	\$ 2,301,168.00	\$322.07	Bennett Lumber
Some Help OSR	SJ	4,480	55		\$ 1,291,950.50	\$ 1,291,950.50	\$263.93	Stimson Lumber
Endowment		29,825	430	0	\$ 7,261,485.00	\$ 9,259,275.00	\$306.04	
Meadow Marsh II (P&R)	PAY	825			\$ 106,310.50	\$ 155,880.00	\$188.95	IFG Timber LLC
Crystal GNA Ton*	PAY	4,600			\$ 594,203.84	\$ 594,203.84	\$129.17	IFG Timber LLC

PROPOSED TIMBER SALES FOR AUCTION				
Sale Name	Volume MBF	Advertised Net Value	Area	Estimated Auction Date
North Operations				
Pocono Poke Cedar	9,730	\$ 2,083,514	St. Joe	12/1/2020
Cloverfield	6,455	\$ 1,570,052	Ponderosa	12/8/2020
Pokey Teepee	8,420	\$ 1,903,949	St. Joe	12/17/2020
Lights Out	7,380	\$ 742,131	St. Joe	12/17/2020
Jump Start	4,260	\$ 1,208,007	St. Joe	12/17/2020
Caribou Conks Pulp	3,650	\$ 54,686	Priest Lake	12/22/2020 3rd Auction
Downfall OSR	3,250	\$ 545,361	Pend Oreille	12/29/2020
Hello Elk	3,625	\$ 761,935	Pend Oreille	12/29/2020
Springboard	1,075	\$ 203,455	Pend Oreille	12/29/2020
Totals	47,845	\$ 9,073,088		
South Operations				
Black Olive Salvage	3,430	\$ 251,427	Payette	12/18/2020
Totals	3,430	\$ 251,427		

VOLUME UNDER CONTRACT as of November 30, 2020

	Public School	Pooled	Total	3 Year Avg.
Active Contracts			176	172
Total Residual MBF Equivalent	349,201	226,725	575,926	524,938
Estimated residual value	\$85,346,624	\$60,023,581	\$145,370,205	\$148,210,208
Residual Value (\$/MBF)	\$244.41	\$264.74	\$252.41	\$282.55

TIMBER HARVEST RECEIPTS

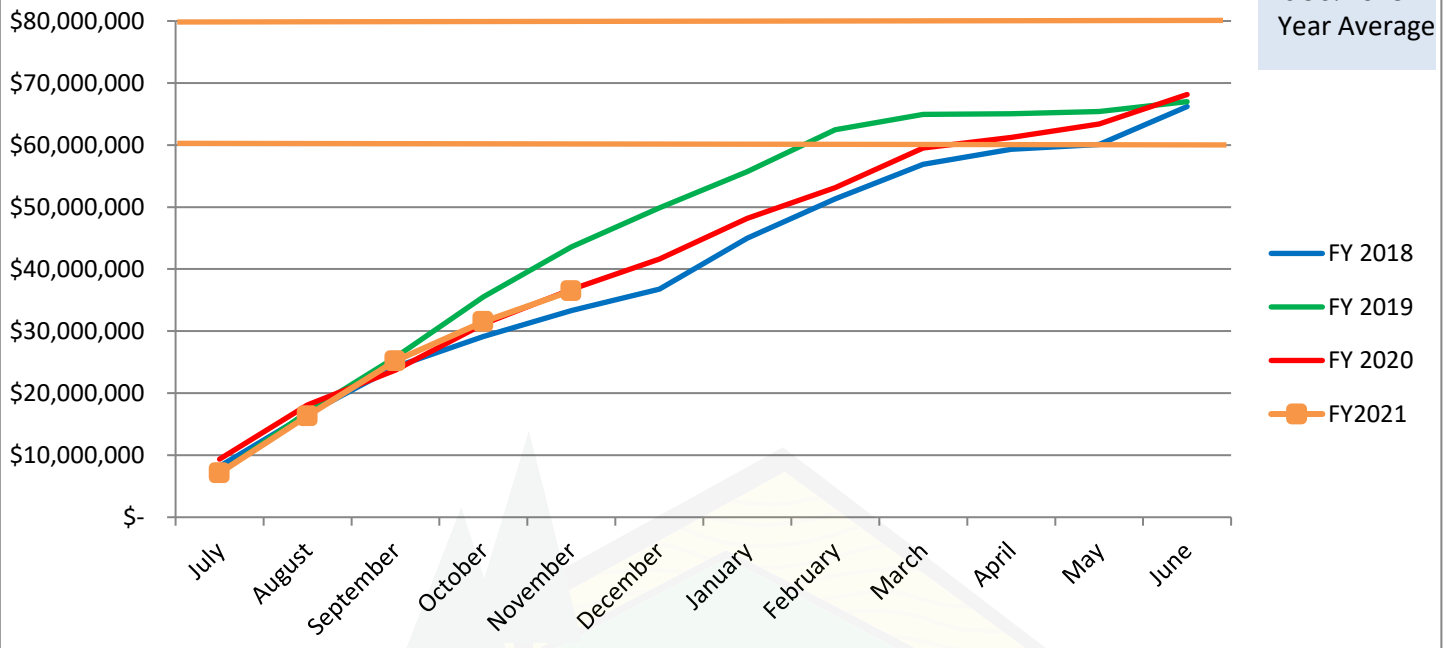
	November		FY to date	December Projected	
	Stumpage	Interest	Harvest Receipts	Stumpage	Interest
Public School	\$ 3,438,843.23	\$ 329,949.29	\$ 25,769,518.66	\$ 2,975,637.62	\$ 321,610.12
Pooled	\$ 1,087,857.13	\$ 113,681.38	\$ 10,728,809.83	\$ 2,410,292.46	\$ 317,264.33
General Fund	\$ 3,452.94	\$ 450.63	\$ 10,971.93	\$ 1,864.00	\$ 252.43
TOTALS	\$ 4,530,153.30	\$ 444,081.30	\$ 36,509,300.42	\$ 5,387,794.08	\$ 639,126.88

STATUS OF FY 2021 TIMBER SALE PROGRAM

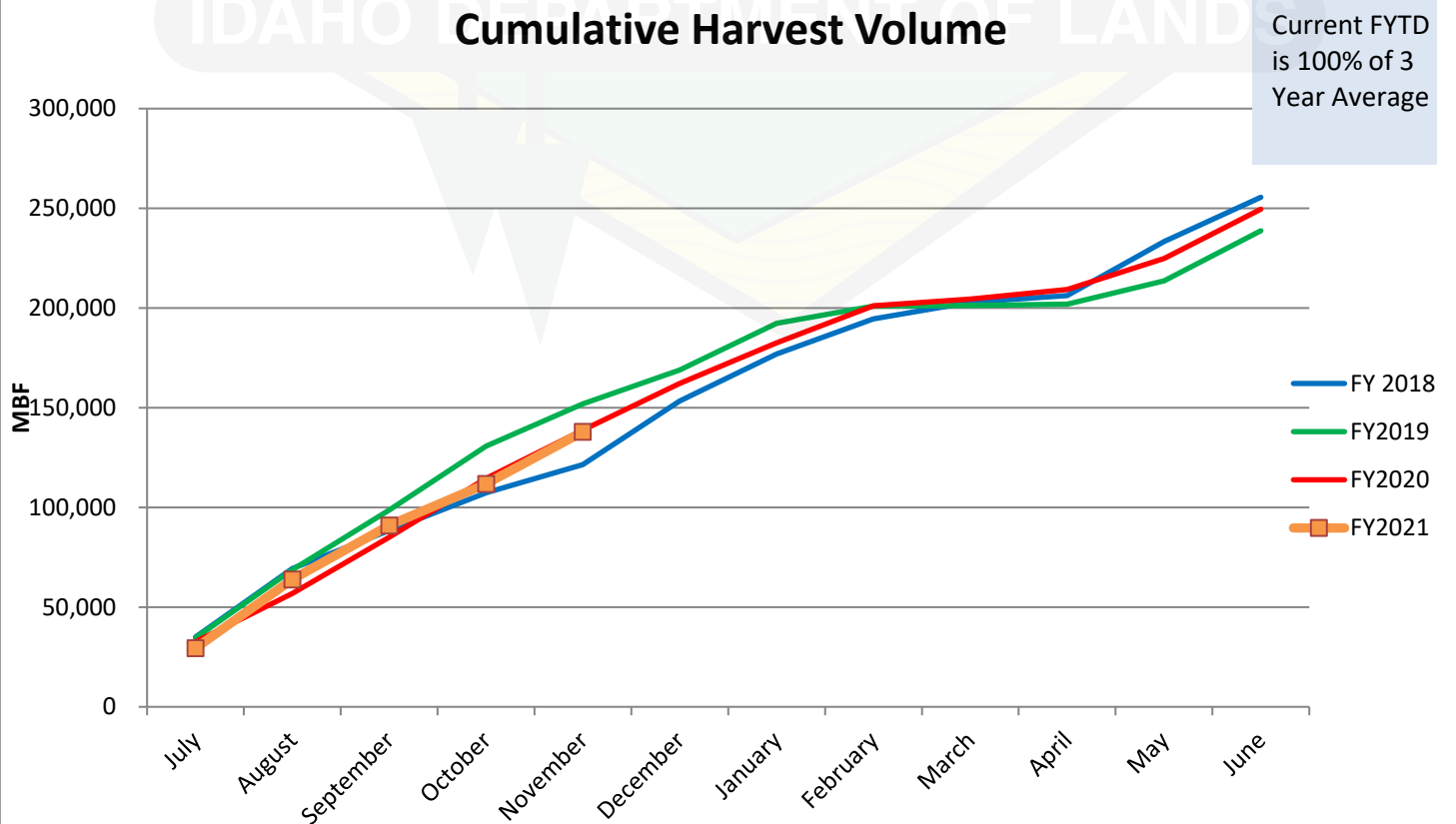
	MBF Sawlog			Number Poles		
	Public School	Pooled	All Endowments	Public School	Pooled	All Endowments
Sold as of November 30, 2020	55,731	34,606	90,337	15,084	8,389	23,473
Currently Advertised	26,997	16,843	43,840	0	600	600
In Review	14,316	11,563	25,879	2,067	3,265	5,332
Did Not Sell ¹	0	0	0	0	0	0
TOTALS	97,044	63,012	160,056	17,151	12,254	29,405
FY2021 Sales Plan			284,238			28,810
Percent to Date			56%			102%

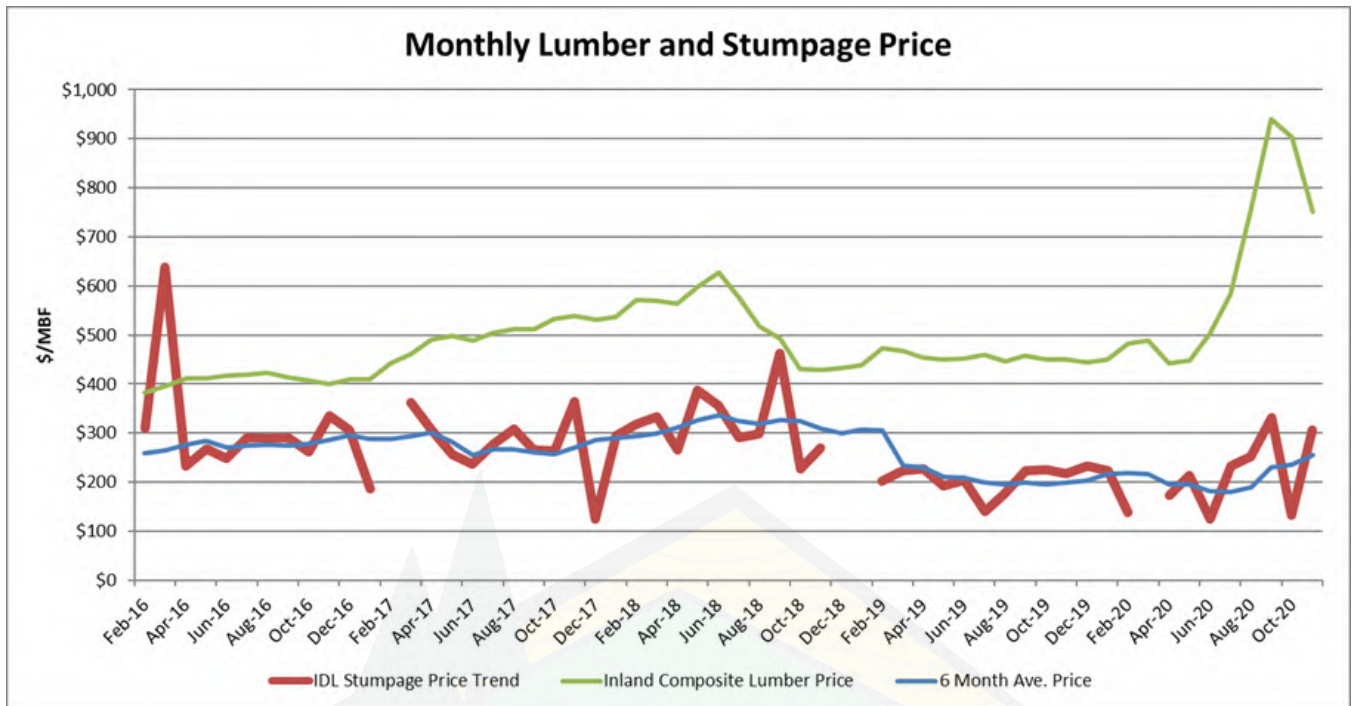
¹ After three attempts at auction.

Cumulative Harvest Receipts



Cumulative Harvest Volume

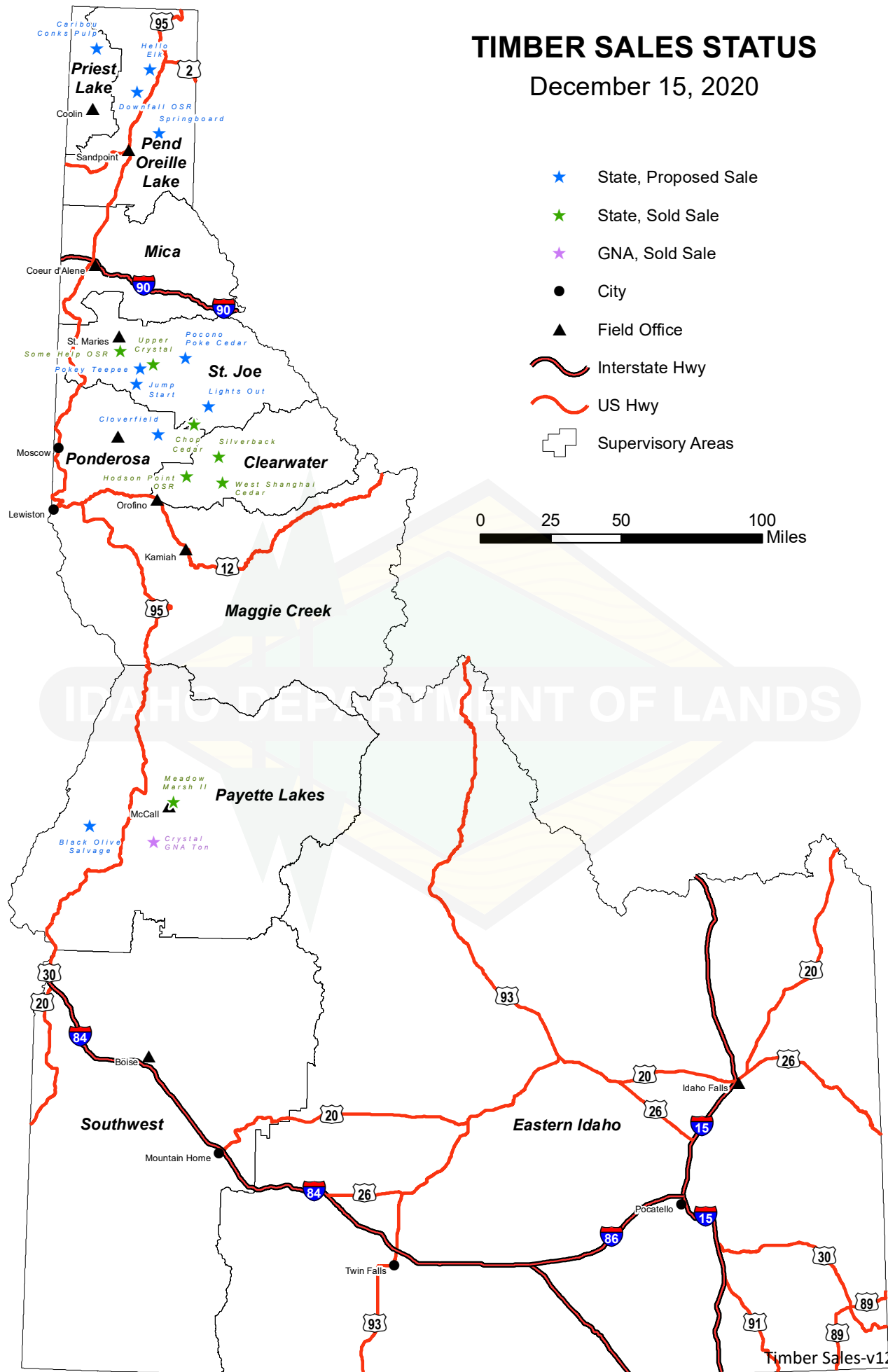




IDAHO DEPARTMENT OF LANDS

TIMBER SALES STATUS

December 15, 2020



STATE BOARD OF LAND COMMISSIONERS

December 15, 2020

Endowment Transactions

Leases and Permits

FISCAL YEAR 2021 – LEASING & PERMITTING TRANSACTIONS BY MONTH – through November 30, 2020														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	EST	FYTD
SURFACE														
Agriculture	-	-	-	-	-								1	0
Assignments	-	-	-	-	-								1	0
Communication Sites	-	-	-	-	-								31	0
Grazing	7	2	1	1	1								14	12
Assignments	-	3	4	-	2								32	9
Residential	-	2	4	-	-								18	6
Assignments	-	1	1	2	-								18	4
COMMERCIAL														
Alternative Energy	-	-	-	-	-								1	0
Industrial	-	-	-	-	-								6	0
Military	-	-	-	-	-								4	0
Office/Retail	-	-	-	-	-								2	0
Recreation	-	-	-	-	-								11	0
Assignments	-	-	-	-	-								-	0
OTHER														
Conservation	-	-	-	-	-								0	0
Assignments	-	-	-	-	-								-	0
Geothermal	-	-	-	-	-								4	0
Minerals	13	-	-	1	-								57	14
Assignments	-	-	-	-	3								-	3
Non-Comm Recreation	-	-	-	-	-								-	0
Oil & Gas	-	-	-	-	-								0	0
PERMITS														
Land Use Permits	10	5	12	6	7								NA	40
TOTAL INSTRUMENTS	30	13	22	10	13								NA	88

Real Estate

FISCAL YEAR 2021 – REAL ESTATE TRANSACTIONS BY MONTH – through November 30, 2020														
ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FYTD	
Deeds Acquired	-	-	-	-	-								0	
Deeds Granted	-	-	9	6	3								18	
Deeds Granted - Surplus	-	-	-	-	-								0	
Easements Acquired	-	-	-	-	-								0	
Easements Granted	-	-	-	-	-								0	
<i>Assignments</i>	-	1	-	-	-								1	

Transaction Notes : An Eastern Supervisory Area Office grazing lease (G800481) was issued to Mr. Thomas Katsilometes, who was the successful bidder at the live auction on September 3, 2020. Three deeds were issued for the sale of cottage sites from the August 15, 2020 Priest Lake auction. All of the 18 cottage sites sold at the August 15, 2020 auction have closed.

Land Exchanges :

Avimor, IFG, and DeAtley Land Exchanges : IDL is in the procurement process for the contracting of certain due diligence items.

Owyhee Land Exchange : IDL is working with a BLM permittee on concerns he has voiced. IDL plans to present the land exchange to the Land Board for final approval in January.

TRUST LAND MANAGEMENT DIVISION
2021FYTD GROSS REVENUE (non-timber) - ACTUAL AND FORECASTED
through November 30, 2020

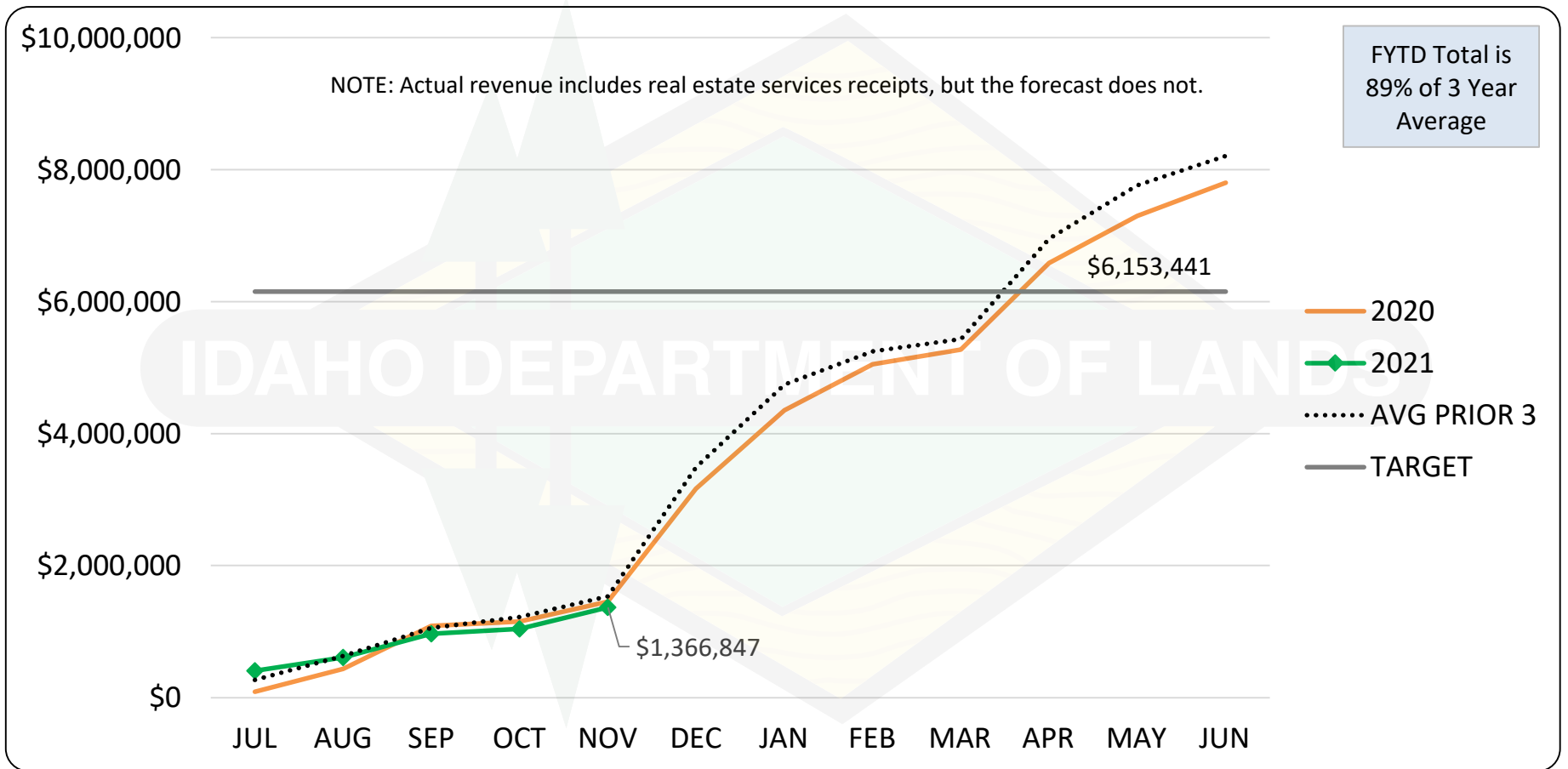
	ACTUAL RECEIPTS AS OF 11.30.2020	REVENUE EXPECTED BY 11.30.2020**	REVENUE EXPECTED BY 06.30.2021
SURFACE			
AGRICULTURE	\$ 104,315	\$ 114,043	\$ 471,740
COMMUNICATION SITES	\$ 54,120	\$ 70,617	\$ 548,359
GRAZING	\$ 31,155	\$ 22,853	\$ 1,822,510
RESIDENTIAL	\$ 115,110	\$ 100,502	\$ 1,450,328
COMMERCIAL			
COMMERCIAL ENERGY RESOURCES	\$ 4,364	\$ -	\$ 12,715
COMMERCIAL INDUSTRIAL	\$ 22,177	\$ 19,800	\$ 73,313
COMMERCIAL MILITARY	\$ -	\$ -	\$ 62,438
COMMERCIAL OFFICE/RETAIL	\$ 587,742	\$ 530,771	\$ 997,011
COMMERCIAL RECREATION	\$ 238,098	\$ 236,496	\$ 470,323
OTHER			
CONSERVATION LEASES	\$ 1,100	\$ 8,267	\$ 103,951
GEOTHERMAL	\$ -	\$ 1,000	\$ 5,000
MINERAL	\$ 19,848	\$ 11,345	\$ 70,492
NON-COMMERCIAL RECREATION	\$ 4,761	\$ 2,087	\$ 52,129
OIL AND GAS LEASES	\$ 6,759	\$ 12,064	\$ 13,133
Sub Total	\$ 1,189,549	\$ 1,129,844	\$ 6,153,441
*LAND SALES/RECORDS	\$ 177,297		
*REAL ESTATE SERVICES	\$ -		
Grand Total	\$ 1,366,847		

* These categories are not included in the annual forecast.

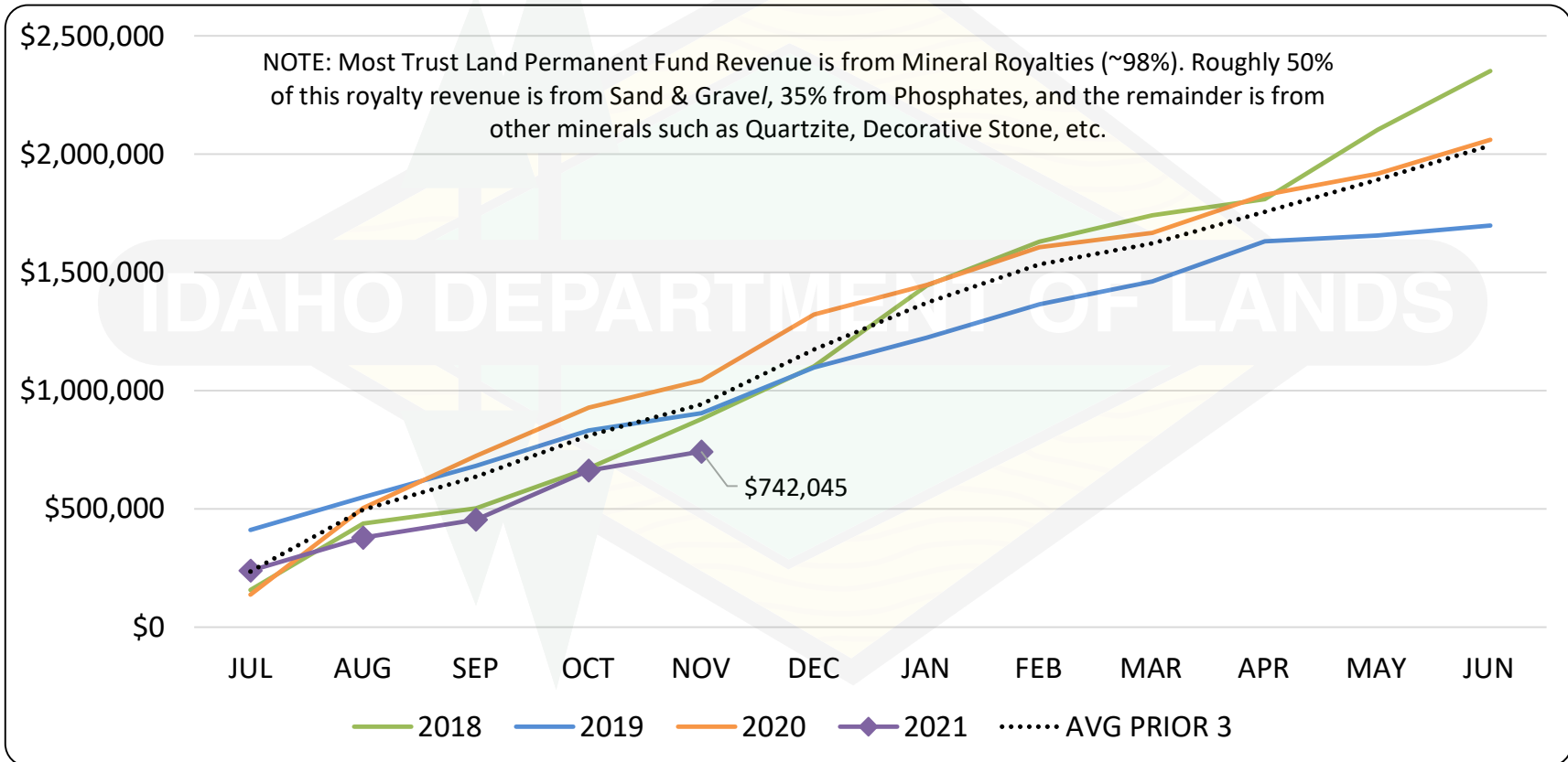
** These figures are based on "normal" timing of revenue/billing throughout the year.

NOTE: The Department prepares the annual endowment revenue forecast by ASSET CLASS (not by Program). For this table, we have attempted to further breakdown the forecast by program by applying trend data.

Cumulative Trust Land Program Receipts - Earnings Reserve - All Programs excluding Timber FY2020 - FYTD2021



Cumulative Trust Land Permanent Fund Revenue/Royalties (Does NOT include Land Bank Revenue) FY18 - FYTD21





M. Dean Buffington :: Chairman
Jerry F. Aldape Gary L. Mahn
Warren R. Bakes Richelle A. Sugiyama
Steven C. Harris Thomas J. Wilford
Irving Littman Chuck Winder
Chris J. Anton :: Manager of Investments

Monthly Report to the Board of Land Commissioners

Investment performance through November 30, 2020

Month: 8.8% Fiscal year: 13.9%

Equity markets had one of the strongest months ever and pushed to all-time highs as Pfizer, Moderna, and AstraZeneca demonstrated their vaccines were effective in preventing COVID-19. Small cap and value stocks finally started to participate in a rally that had previously been dominated by large cap growth and technology stocks. Investors are becoming increasingly optimistic that approval and distribution of vaccines will contain the virus and result in a broadening of the economic recovery. The U.S. Presidential and Congressional elections appear to have resulted in a divided Congress that investors perceive as positive because it mitigates extremes. Discussions are taking place in both the House and Senate for a modest stimulus package before the end of the year.

Status of endowment fund reserves

Distributions for FY2021 and FY2022 are well secured.

Significant actions of the Endowment Fund Investment Board

None.

Compliance/legal issues, areas of concern

Material deviations from Investment Policy: None.

Material legal issues: None.

Changes in board membership or agency staffing: None.

Upcoming issues/events

JFAC Budget Presentation – February 5, 2021

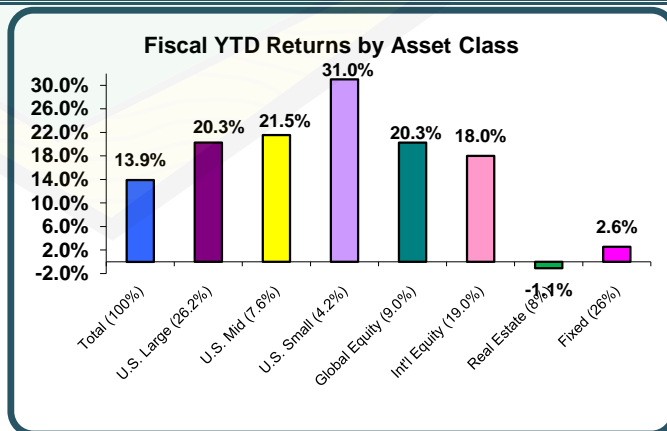
EFIB Board Meeting – February 11, 2021

	Month	FYTD
Beginning Value of Fund	\$ 2,500,351,987	\$ 2,395,398,968
Distributions to Beneficiaries	(7,043,400)	(35,217,000)
Land Revenue net of IDL Expenses	3,230,757	20,361,119
Change in Market Value net of Investment Mgt. Expenses	224,712,643	340,708,900
Current Value of Fund	\$ 2,721,251,987	\$ 2,721,251,987

	Current Month	Calendar Y-T-D	Fiscal Y-T-D	One Year	Three Year	Five Year	Ten Year
Gross Returns							
Total Fund	8.8%	12.1%	13.9%	14.6%	9.8%	10.1%	9.5%
Total Fund Benchmark*	8.5%	10.5%	12.7%	13.1%	8.7%	9.5%	9.0%
Total Fixed	1.4%	6.4%	2.6%	6.7%	5.4%	4.3%	3.6%
85% BB Agg, 15% TIPS	1.0%	7.7%	1.5%	7.7%	5.5%	4.4%	3.7%
Total Equity	12.9%	15.5%	20.4%	19.3%	11.8%	12.6%	11.8%
38% R3 19% Ax 9% AC	12.6%	11.9%	19.1%	15.7%	9.9%	11.7%	11.2%
Domestic Equity	13.5%	17.3%	21.7%	20.5%	13.4%	13.9%	14.2%
Russell 3000 (R3)	12.2%	15.7%	19.8%	19.0%	13.2%	13.9%	14.0%
Global Equity	10.4%	18.0%	20.3%	21.7%	12.0%	12.2%	9.1%
MSCI ACWI (AC)	12.3%	11.1%	18.5%	15.0%	9.0%	10.8%	9.4%
Int'l. Equity	13.0%	10.9%	18.0%	15.9%	8.8%	9.9%	6.3%
MSCI ACWI ex-US (Ax)	13.5%	5.0%	18.0%	9.5%	3.8%	7.4%	5.2%
Real Estate			-1.1%	1.4%	5.2%		
			-1.8%	1.3%	4.7%		

* Benchmark: 38% Russell 3000 19% ACWI ex-US 9% AC 26% BB Agg. 8% ODCE

	Mkt Value (\$M)	Allocation
Domestic Equity	\$ 1,071.8	39.4%
Large Cap	727.4	26.7%
Mid Cap	215.4	7.9%
Small Cap	129.1	4.7%
Global Equity	259.1	9.5%
Int'l Equity	519.6	19.1%
Fixed Income	659.2	24.2%
Real Estate	190.3	7.0%
Cash	7.3	0.3%
Total Fund	\$ 2,721.3	99%



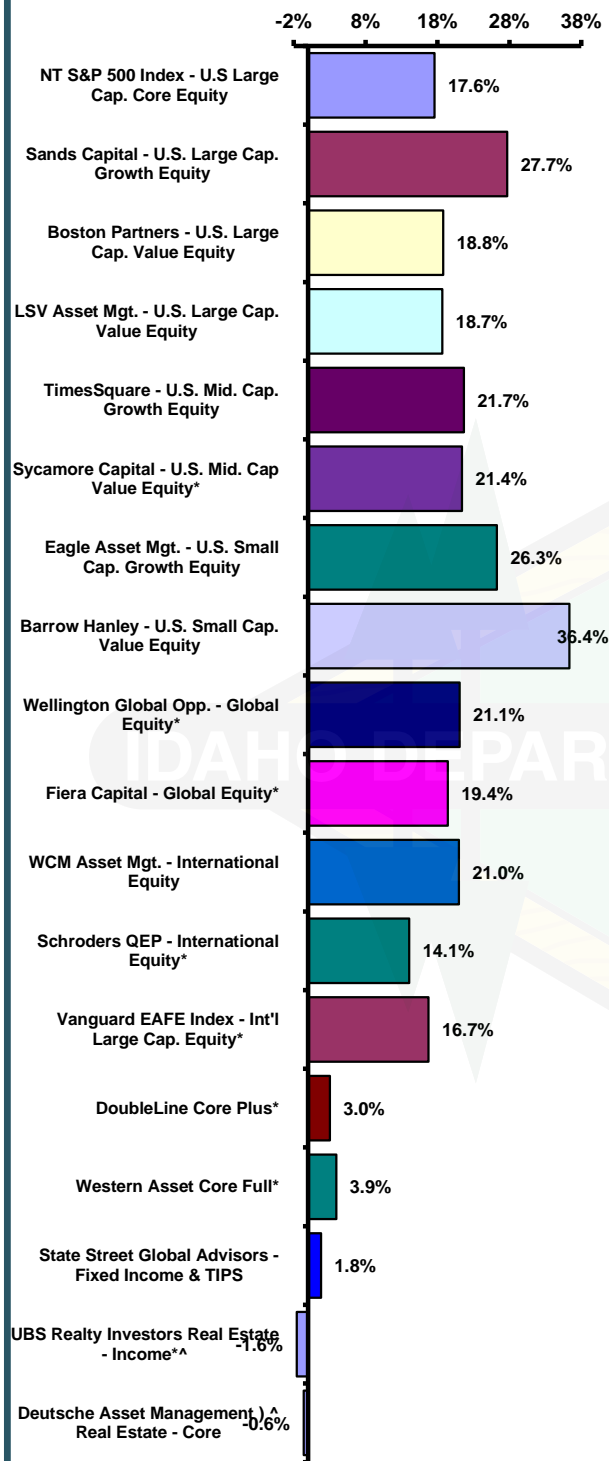
Endowment Fund Staff Comments:

Equity markets had one of the strongest months ever and pushed to all-time highs as Pfizer, Moderna, and AstraZeneca demonstrated their vaccines were effective in preventing COVID-19. Small cap and value stocks finally started to participate in a rally that had previously been dominated by large cap growth and technology stocks. Investors are becoming increasingly optimistic that approval and distribution of vaccines will contain the virus and result in a broadening of the economic recovery. The U.S. Presidential and Congressional elections appear to have resulted in a divided Congress that investors perceive as positive because it mitigates extremes. Discussions are taking place in both the House and Senate for a modest stimulus package before the end of the year.

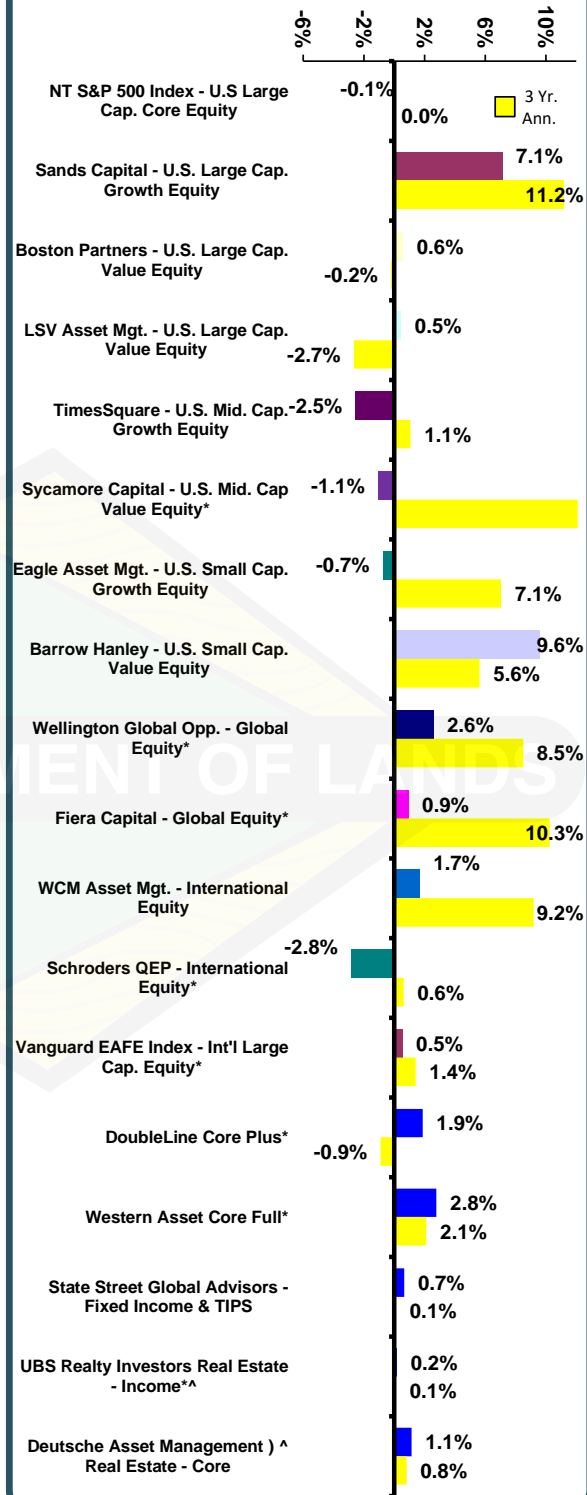
November 30, 2020

INVESTMENT REPORT

FYTD Manager Returns



Manager Relative Returns Fiscal YTD and 3-Yr Ave*



*ITD return used when manager has less than 3 years. ^ Most recent valuation.

STATE BOARD OF LAND COMMISSIONERS

December 15, 2020V

Consent Agenda

Subject

Authorization to purchase two Forest Legacy Program conservation easements, known as Fleming West and Fleming East, comprising 605 and 647 acres, respectively, of privately owned forestland in Boundary County

Question Presented

Shall the Land Board authorize the Department to acquire the Fleming West and Fleming East conservation easements?

Background

- The Idaho State Board of Land Commissioners (Land Board) authorizes the Idaho Department of Lands (Department) to acquire such interests by voluntary, cooperative means, and to create a conservation easement pursuant to Title 36, Chapter 1, and Title 55, Chapter 21 Idaho Code.
- The Cooperative Forestry Assistance Act (the "Act") of 1978 (16 U.S.C. 2101 et. seq.), as amended by Section 1217 and Title XII of the Food, Agriculture, Conservation Trade Act of 1990 (16 U.S.C. 2103c), established the federal Forest Legacy Program to protect environmentally important forestlands threatened with conversion to non-forest use.
- The Forest Legacy Program is funded through the Land and Water Conservation Fund which was established by Congress in 1965, in part, to assist states in conserving vital working lands, wildlife habitats, and outdoor recreation. These are not taxpayer dollars, but a small portion of the royalties paid by energy companies drilling for oil and gas on public land on the Outer Continental Shelf.

Discussion

The Forest Legacy Program (FLP)—a federal program in partnership with states—seeks to keep working forests working (Attachment 1). Through a federal grant, Idaho's FLP purchases conservation easements (CEs) on private forestlands that might otherwise be converted to non-forest uses. Idaho's FLP CEs are designed to conserve the economic and environmental values that forestlands provide without removing the property from private ownership.

The FLP is an entirely voluntary program that offers willing landowners the opportunity to capture part of the "development value" of their land while receiving assurance that the forestland will remain a working forest forever. Idaho's FLP CEs restrict development and

subdivision, require sustainable forestry practices through the implementation of a Forest Stewardship Plan, and protect other environmental values. Federal grant funds provide up to 75% of the program costs for the purchase of CEs on private forestlands with a 25% non-federal match requirement. Eligible program costs include conservation easement value as well as associated due diligence expenses. Eligible non-federal cost-share includes fully donated CEs, bargain sale CEs, in-kind services, and non-federal cash contributions.

These CEs are part of the federal FY2019 Boundary Connections 2 FLP Project (Attachment 2). Hancock Forest Management, on behalf of its client landowners Hancock XI Inc. and Golden Pond Timberlands Inc., wishes to convey these CEs to the Department to conserve this working forestland in perpetuity, thereby protecting the economic and environmental values while keeping the property in private ownership. These acquisitions will be bargain sales in which a 25% non-federal match will consist of donated easement value. The table below summarizes project costs.

Landowner	Appraised CE Value	Landowner Due Diligence Expenses*	Total Cost	FLP Contribution**
Hancock XI (Fleming East)	\$1,415,000	\$4,000	\$1,419,000	\$1,064,250
Golden Pond (Fleming West)	\$1,296,000	\$4,000	\$1,300,000	\$975,000

* Estimated due diligence expenses: closing fees and title insurance.

** In accordance with FLP Guidelines, the required 25% non-federal cost-share will consist of: 1) a bargain sale in which the easement is purchased at 75% of the appraised value, and 2) eligible landowner expenses will be reimbursed at 75%.

The Fleming West and Fleming East conservation easements are consistent with the goals and objectives of Idaho's FLP and will protect the following significant conservation values:

- **Timber:** Idaho's Forest Action Plan identifies the area where the project lands are located as one of the highest priority areas for forestland protection in the state. According to Boundary County's Comprehensive Plan, the harvest of timber and other products from forestland in Boundary County is essential to the local economy.
- **Wildlife Habitat:** Project lands contain some of the most valuable wildlife habitat in Idaho, supporting an abundant assortment of game and non-game species including federally listed, threatened, and endangered species such as grizzly bear and Canada lynx.
- **Public Recreation:** The conservation easement terms ensure that these lands will remain accessible to the general public for non-commercial recreational uses

including hunting, trapping, fishing, biking, hiking, cross-country skiing, and wildlife viewing.

- **Landscape Scale Conservation Impact:** The Boundary Connections 2 project is located in an area of high conservation priority. Thirteen existing FLP conservation easements are located within 10 miles.

The project has garnered broad public support by various public and private entities (Attachment 3). These forestlands have substantial and significant conservation and economic values that are of great importance to the people of Idaho. The protection of these values will yield a significant public benefit.

Recommendation

Authorize the Department to acquire the Fleming West and Fleming East conservation easements.

Board Action

Attachments

1. Forest Legacy Program Fact Sheet
2. Map
3. Public Support



Forest Legacy Program

Fact Sheet

The Forest Legacy Program (FLP) is a program that seeks to protect privately owned, economically and environmentally important forestlands that are threatened by conversion to non-forest uses. FLP is a voluntary program that, through the purchase of conservation easements, operates on the “willing buyer, willing seller” principle. Lands covered by a FLP conservation easement stay in private ownership and continue to be managed for traditional uses such as forest management.

1. What is a conservation easement?

- A legal instrument through which certain rights, such as subdivision and development, are transferred from a landowner to a non-profit organization or government agency. The grantee organization does not gain the right to subdivide or develop; rather, it holds those restrictions “in trust” and ensures that no one uses the rights restricted by the grantor. A conservation easement is perpetual and runs with the land. Idaho Code Title 55, Chapter 21 is Idaho’s Uniform Conservation Easement Act.

2. Where does FLP funding come from?

- Federal FLP grant funds **are not** tax-payer dollars.
- FLP is funded through the Land and Water Conservation Fund (LWCF), which was established in 1965, in part, to assist states in conserving vital working lands, wildlife habitats and outdoor recreation.
- Each year, a small percentage of royalties paid by energy companies drilling for oil and gas on public land on the Outer Continental Shelf is deposited into the LWCF account in the federal treasury. The premise of LWCF is essentially to protect one natural resource in exchange for the depletion of another.
- The U.S. Forest Service (USFS) administers the program at the national level and provides grants from LWCF to states to carry out the FLP.

3. What qualifies projects for consideration?

- Meets FLP’s primary objective to keep working forests working
- 75% forested
- Privately owned
- 5 acres or larger
- Includes a minimum 25% non-federal match
- Must be within a Priority Landscape Area as identified in Idaho’s Forest Action Plan
- Must be carried out in partnership with another state agency or land trust organization

4. How are projects evaluated and selected?

- Projects are evaluated using the following criteria:
 - Importance: criteria reflect the environmental, economic and social values the forest provides

- Threat: criteria evaluate the likelihood of conversion from forest to non-forest uses that would result in a loss of forest values and public benefits
- Strategic: criteria reflect the relevance to conservation efforts in a broader perspective (contributes to a conservation strategy and complements other intact forests)
- Projects are evaluated and ranked by a national review panel in Washington DC. The review panel, comprised of 6 state agency representatives and 6 USFS representatives from across the U.S., is tasked with ranking all projects submitted nationwide.

5. How are conservation easement values determined?

- A conservation easement purchase price is determined by an appraisal which conforms to the guidelines of two professional appraisal standards: the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Appraisal Standards of Federal Land Acquisitions (UASFLA or “Yellow Book”). Prior to the acquisition, the FLP requires an independent appraisal review.
- Appraisers meet rigorous private and federal appraisal standards, education, and training and must have considerable experience appraising projects of the same type and complexity.

6. How are federal funds conveyed for Forest Legacy acquisitions?

- Federal funds are directly distributed by the USFS to a title company that handles the closing transaction and recording of the conservation easement.
- The federal funding used to purchase a conservation easement *cannot* be higher than the appraised fair market value.

7. Who holds title to the FLP easement?

- The State of Idaho

8. How do conservation easements impact property taxes?

- The property is still in private ownership and taxed as such. Current property taxes are not impacted.

9. Do these FLP conservation easement acquisitions result in any impact on the state general fund?

- No. Project funds are allocated directly from the USDA Forest Service for the conservation easement purchase. No general fund dollars are used for the acquisition, nor are they used to fund administration of the Idaho FLP.

Idaho Forest Legacy Program

Program Goals

- Identify high priority forestlands in Idaho
- Maintain the cultural and economic stability of rural communities by conserving *working* forest landscapes
- Conserve and/or enhance water quality
- Maintain unique forest habitats
- Protect and provide habitat for native fish, wildlife and plants
- Protect the social values that forests provide such as public recreation, scenic, cultural and historical values

Program Objectives

- Promote wildlife connectivity between undeveloped areas
- Focus efforts on projects with large areas of contiguous forest
- Promote sustainable forest management practices
- Contribute to a large scale organized conservation plan
- Protect Threatened and Endangered species habitat
- Complement previous investments in forestland conservation

To Date Statistics (April 2020)

39 conservation easement purchases: 97,594 acres

15 donated conservation easements: 3,273 acres

Federal Funds: \$40,047,450

Non-Federal Cost-Share: \$23,249,740

36% non-federal cost-share

87,200 acres open to public recreation, free of charge, in perpetuity

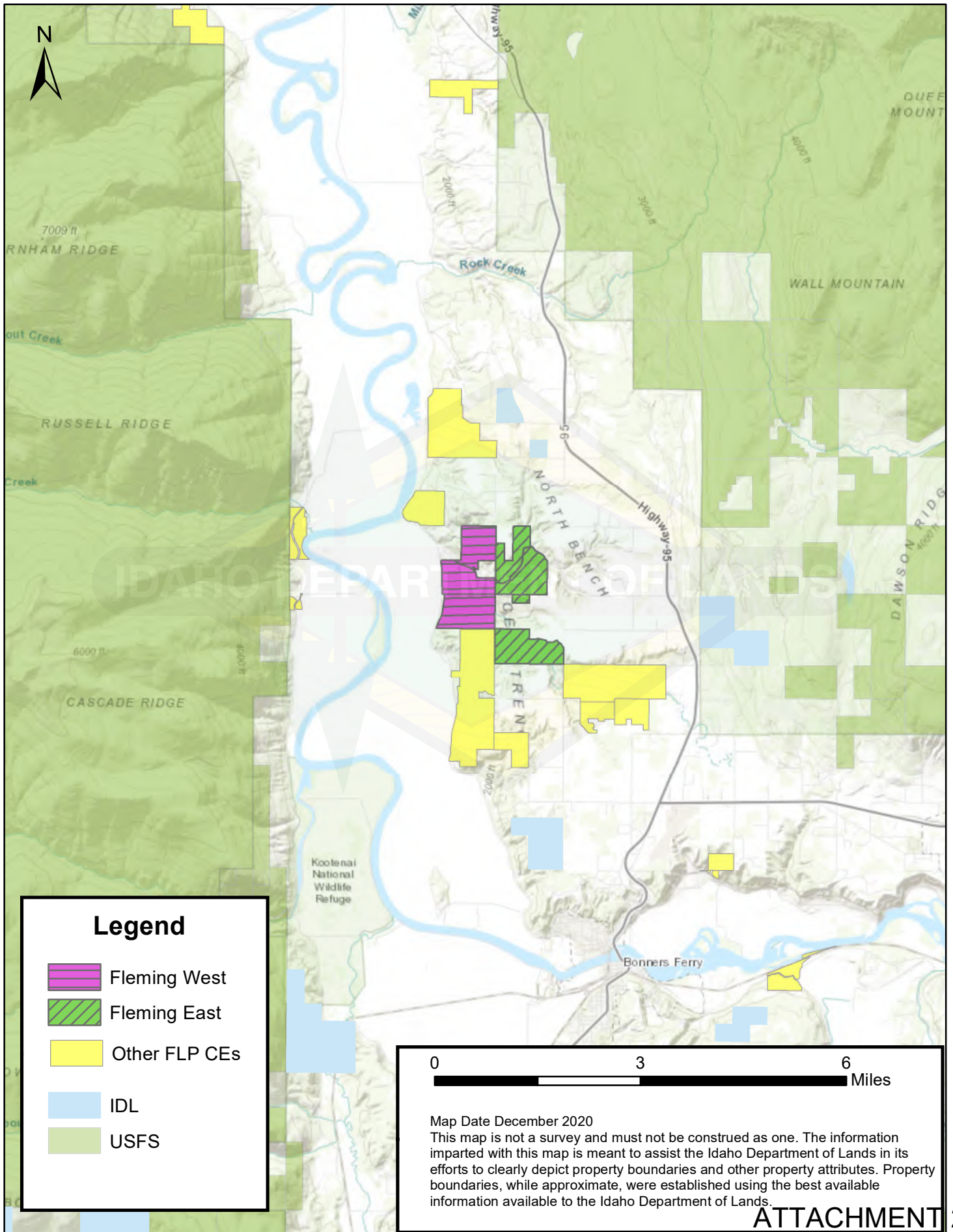
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For more information, visit:

<http://www.idl.idaho.gov/forestry/forest-legacy/index.html>

This institution is an equal opportunity provider.

Fleming East and Fleming West FLP Proposed Conservation Easements Boundary County, ID



Public Support of the FY2019 Boundary Connections 2 Project in Boundary County

The following local, state and federal government agencies and local, state and regional conservation organizations provided written letters in support of the purchase of a conservation easement on the Boundary Connections 2 project lands:

- City of Bonners Ferry
- US Fish & Wildlife Service
- US Forest Service – Idaho Panhandle National Forest
- Bureau of Land Management
- Idaho Department of Fish and Game
- Idaho Forest Owners Association
- Idaho Forest Group
- Foust Logging, Inc.
- Yellowstone to Yukon Conservation Initiative
- Vital Ground Foundation
- Inland NW Land Conservancy
- FY2010 Bane Creek FLP landowners
- FY2012 Boundary Connections 1 FLP landowners
- FY2016 Kootenai Valley FLP landowners

The Boundary County Commissioner's received a project update on 11/30/2020. As with recent FLP projects, they have stated they continue to remain neutral regarding Forest Legacy projects in Boundary County. They view conservation easements as private property rights that do not warrant government interference.

STATE BOARD OF LAND COMMISSIONERS

December 15, 2020

Consent Agenda

Subject

Sale of the State of Idaho property referred to as the Military Division's (IMD) surplus property described in Attachment 1 hereto (Property) to Jerome County.

Question Presented

Shall the Land Board direct the Department to sell the Property, which is adjacent to the Jerome Readiness Center, to Jerome County for the price of \$28,500?

Background

On August 18, 2020, the State Board of Land Commissioners (Land Board) directed the Idaho Department of Lands (Department) to offer the Property for disposition in accordance with the Surplus Property Act (Act), Idaho Code § 58-332 *et seq.*, and to offer the Property at public auction in Jerome or Ada County, if necessary. The Land Board also approved execution of the Corrected Quitclaim Deed to transfer title to the Land Board (Attachment 1).

Pursuant to the Act, the Department first notified other state agencies to determine interest in purchasing the Property. No state agency expressed interest in the Property. The Department then notified and offered the Property to tax-supported agencies, including federal, city, and county agencies, to determine interest in purchasing the Property.

On September 14, 2020, the Jerome County Commissioners submitted a letter expressing interest in the Property (Attachment 2). No other tax supported agencies expressed interest. In accordance with Idaho Code § 58-332(2)(a), the Department scheduled a hearing for public comment regarding sale of the Property to Jerome County, and published notice of the hearing in the local newspaper for five (5) consecutive weeks (Attachment 3).

The public hearing was conducted on November 4, 2020. No members of the public attended the hearing and no written comments were received. IMD requested that the Department proceed with the sale of the Property to Jerome County (Attachment 4).

Discussion

The Property, which is unimproved, was appraised in July 2019 and has an "as is" market value of \$57,000. Because IMD has a fifty percent (50%) ownership interest in the Property, IMD has agreed to sell the Property for \$28,500.

If the Land Board approves the sale to Jerome County, Jerome County will have 60 days to accept the terms of the offer outlined in the Purchase and Sale Agreement (Attachment 5).

Upon execution of the Purchase and Sale Agreement, Jerome County will have an additional 90 days to fund and close the transaction. Once the proceeds are received at closing, the Department will disburse the funds in accordance with Idaho Codes §§ 58-332(4) and 58-333, and State of Idaho Deed No. 14342 will be executed (Attachment 6).

Recommendation

Direct the Department to sell the Property to Jerome County for the price of \$28,500, as proposed.

Board Action

Attachments

1. Corrected Quitclaim Deed
2. Jerome County Letter of Interest
3. Jerome County Hearing Notice
4. IMD Letter to IDL – Request Proceed with Sale
5. Purchase Sale Agreement
6. State Deed No. 14342

The logo of the Idaho Department of Lands is a large, stylized diamond shape. It is composed of several overlapping layers of different colors: a light green outer layer, a yellow layer, and a light blue inner layer. The text "IDAHO DEPARTMENT OF LANDS" is written in a bold, white, sans-serif font across the center of the diamond. The logo is positioned in the background of the document, behind the list of attachments.

IDAHO DEPARTMENT OF LANDS

**CORRECTED
QUITCLAIM DEED**

This Corrected Quitclaim Deed is recorded to correct Instrument No. 2191475, recorded in the records of Jerome County, Idaho, on the 8th day of April, 2019, by clarifying that the subject real property is owned in equal, undivided interests by the State of Idaho and Jerome County.

FOR VALUE RECEIVED, the **CITY OF JEROME**, an Idaho municipal corporation, hereinafter called the "Grantor", hereby remises, releases, and forever quitclaims unto **STATE OF IDAHO**, a body politic, whose address is 300 N. 6th Street, Suite 103, Boise, ID 83702, an undivided one-half interest, and unto **JEROME COUNTY**, a political subdivision and one of the organized counties of the state of Idaho, whose address is 300 North Lincoln, Jerome, ID 83338, an undivided one-half interest, hereinafter called the "Grantees", all its right, title and interest in the following described premises located in Jerome County, Idaho, to wit:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows:

Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING.

Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69.

Thence South 40.00 feet in a straight line to a point that is ½ the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite."

Thence West 570.00 feet along a line that is ½ the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite."

Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING.

The City of Jerome reserves an easement over, across and under the foregoing described real property for the purpose of maintenance, repair, replacement and improvement of an existing buried sewer line and a buried irrigation main line.

TO HAVE AND TO HOLD the premises, with their appurtenances unto said Grantee, and the Grantee's successors and assigns forever.

DATED this 13th day of May, 2020.

"GRANTOR"

The City of Jerome

By: David M. Davis
DAVID M. DAVIS, Mayor

As Authorized by Resolution No. 22-06 of the City of Jerome

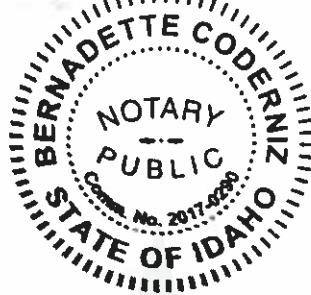
STATE OF IDAHO)

ss:

County of Jerome

On this 13th day of May, 2020, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DAVID M. DAVIS, Mayor of the City of Jerome, known to me to be the person whose name is subscribed to the within and foregoing instrument, and who acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, the day and year in this certificate first above written.



Bernadette Codrzn
NOTARY PUBLIC for Idaho
Residing at: Jerome ID
Commission Expires: 8/16/2023

IDAHO DEPARTMENT OF LANDS



JEROME COUNTY COMMISSIONERS

Charles M. Howell
Chairman

A. Ben Crouch
Vice Chairman

John Crozier
Commissioner

Michelle Emerson
Clerk

September 14, 2020

Zane Lathim
Idaho Department of Lands
P.O. Box 83720
Boise, ID 83720-0050

Dear Mr. Lathim:

RE: SURPLUS PROPERTY ADJACENT TO THE JEROME READINESS CENTER

Referring to your letter dated September 8, 2020, Jerome County would like to purchase the other half of the property referenced in the letter, in the amount of \$28,500 plus administration costs.

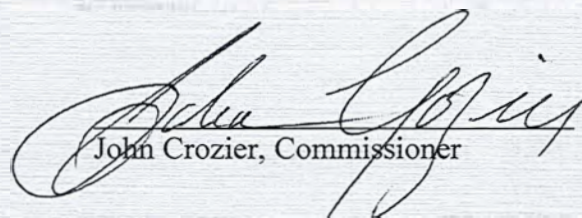
Please advise when the funds are needed for this transaction.

Respectfully yours,

BOARD OF COMMISSIONERS


Charles M. Howell, Chairman


A. Ben Crouch, Commissioner


John Crozier, Commissioner

JEROME COUNTY COMMISSIONERS

Monday, September 14, 2020

PRESENT: Charles Howell, Chairman
Ben Crouch, Vice Chairman
John Crozier, Commissioner
Jane White, Deputy Clerk

Meeting convened at 9:08 A.M.

COMMISSIONER REPORTS

Commissioner Howell reported he had attended barrel racing at the Fairgrounds, where Lana Parker (former Miss Rodeo America) and her husband presented Michael Dick and Marianne Schiewe a best arena award.

Commissioner Howell told of a SIRCOMM (emergency communications) meeting where directors were considering new or improved towers to aid reception. The agency was also changing its frequencies the first of October and had received a grant to change its phone system. Commissioner Howell said the SIRCOMM director would attend meetings regarding a proposed Lava Ridge Project because a wind farm could affect transmission capability.

Commissioner Howell had also attended Snake River Canyons Park and SIED executive board meetings.

Commissioners Howell and Crouch had attended a Jerome Chamber of Commerce legislative luncheon and had met with the Fair Board chairman and Con Paulus about the latter's advertising concerns at the Jerome Fair and Rodeo.

Commissioner Crouch had participated as a board member of the Jerome Chamber of Commerce, where he was elected vice chairman. He had also attended a Region IV Development virtual meeting. As a board member of Joe Mama's Car Show, he had participated in awarding \$500 donations to the Jerome Fire Department, Martha & Mary's Food Pantry, and the Jerome Recreation District.

Commissioner Crouch said he believed there were fewer volunteers than in previous years cleaning the Snake River Canyons Park the previous Saturday.

Commissioner Crouch said he had spoken with Mike Moyle, Idaho Speaker of the House, who favored counties using federal CARES Act funding to reduce property taxes.

Commissioners Crouch and Crozier had attended a luncheon meeting about advertising for a new fair manager.

Commissioner Crozier had been present at a South Central Public Health District Behavioral Health Board meeting, where directors were endeavoring to raise awareness of behavioral health programs.

PROPERTY PURCHASE FROM THE IDAHO DEPARTMENT OF LANDS

Commissioner Howell referred to an offer from the Idaho Department of Lands (IDL) to purchase property adjacent to the Fairgrounds. He explained that Jerome County currently owns fifty percent of the .52 acres, with the other half owned by the Military Division under the jurisdiction of the IDL. He said the property is appraised at \$57,000; the County would need to pay the National Guard \$28,500 in order to obtain sole ownership of the parcel.

Commissioner Crozier stated that Fair Board directors were in favor of owning the property.

➤ The matter was tabled until that afternoon, when the Board was scheduled to meet with the chairman of the Fair Board.

FUEL USAGE

The Board was in receipt of estimates of the number of gallons of fuel used monthly by twelve County departments.

➤ It was determined that Commissioner Crouch would approach Maverik about a fuel discount, and Commissioner Howell would ask Mr. Gas.

APPROVE TIME RECORDS

The Board approved Time Records for Brent Culbertson, Deserae Jones, Nancy Marshall, Christine McGuire, and Mario Umana for the August 30 through September 12 payroll period.

BUSINESS AND/OR ADMINISTRATIVE MATTERS

The Board signed an Employee Wage Change form for Darwin Lenker to increase his wage for obtaining Deputy 1 status.

The Board signed leave requests for Brent Culbertson and Deserae Jones.

The Board signed a Claims Approval dated September 10, 2020, for the Insurance Deductible Trust, with a grand total of \$3,848.89.

SIGN CLAIMS

The Commissioners signed claims for the August 25, 2020, to September 14, 2020, claim cycle as follows.

BUDGET TOTALS

08/25/2020 to 9/14/2020

#	DEPARTMENT	PAYROLL	ACCT PAY	GRAND TOTAL
1	CLERK	\$ 25,038.21	\$ 907.84	\$ 25,946.05
2	ASSESSOR	\$ 6,435.48	\$ 502.53	\$ 6,938.01
3	TREASURER	\$ 5,058.53	\$ 127.21	\$ 5,185.74
5	COMMISSIONERS	\$ 4,327.14	\$ 15.00	\$ 4,342.14
6	CORONER	\$ 407.10	\$ 2,606.00	\$ 3,013.10
10	BUILDING & GROUNDS MAINT	\$ 4,745.44	\$ 2,494.17	\$ 7,239.61
11	EMERGENCY MANAGEMENT	\$ 3,040.01	\$ 229.69	\$ 3,269.70
13	EXTENSION AGENT	\$ 2,941.60	\$ 590.71	\$ 3,532.31
14	DATA PROCESSING	\$ 1,264.50	\$ 8,096.48	\$ 9,360.98
15	ELECTIONS	\$ 139.76	\$ 3,558.94	\$ 3,698.70
18	GENERAL	\$ 29,925.92	\$ 33,985.52	\$ 63,911.44
21	PLANNING & ZONING	\$ 9,375.62	\$ 2,402.00	\$ 11,777.62
22	GIS	\$ 1,444.50		\$ 1,444.50
29	GENERAL FUND RESERVE			
30	VETERANS	\$ 742.86	\$ 25.52	\$ 768.38
	Sub Total (General Fund)	\$ 94,886.67	\$ 55,541.61	\$ 150,428.28
4	SHERIFF	\$ 58,803.00	\$ 11,263.92	\$ 70,066.92
5	SHERIFF-DETENTION	\$ 56,872.39	\$ 28,220.60	\$ 85,092.99
6	ADULT PROBATION	\$ 7,034.16	\$ 798.93	\$ 7,833.09
7	PROSECUTOR	\$ 18,505.84	\$ 326.17	\$ 18,832.01
8	PUBLIC DEFENDERS		\$ 15,378.74	\$ 15,378.74
9	JUVENILE PROBATION	\$ 8,149.70	\$ 16,321.08	\$ 24,470.78
18	GENERAL JUSTICE	\$ 58,136.02	\$ 443,585.96	\$ 501,721.98
	Sub Total (Justice Fund)	\$ 207,501.11	\$ 515,895.40	\$ 723,396.51
3	AIRPORT	\$ 3,844.32	\$ 40,240.84	\$ 44,085.16
6	DISTRICT COURT	\$ 5,407.77	7298.1	\$ 12,705.87
7	FAIR	\$ 4,644.64		\$ 4,644.64
9	CAPITAL FAIR			\$ -
11	HEALTH DISTRICT		\$ 10,987.29	\$ 10,987.29
15	ELECTION CONSOLIDATION	\$ 2,417.56	\$ 4,183.73	\$ 6,601.29
16	INDIGENT	\$ 4,096.62	\$ 87,305.22	\$ 91,401.84
20	REVALUATION	\$ 12,966.69	\$ 717.23	\$ 13,683.92
23	SOLID WASTE			\$ -
24	TORT			\$ -
27	WEED			\$ -
29	AMBULANCE		\$ 25,241.00	\$ 25,241.00
38	WATERWAYS BOARD			
38	WATERWAYS SHERIFF		\$ 65.35	\$ 65.35
41	BOND REDEMPTION			
	GRAND TOTAL	\$ 335,765.38	\$ 747,475.77	\$ 1,083,241.15

Monday, September 14, 2020

BRENT CULBERTSON—MAINTENANCE REPORT

Maintenance Supervisor Brent Culbertson was present.

Report: Brent Culbertson reported he had repaired air conditioning units at the Judicial Annex Building and the sprinkler system at the jail. He also said resurfacing the ambulance parking lot was well done.

Current projects included landscaping around the commemorative wall at the Courthouse, constructing an exhibit cage at the Annex, and preparing for winter.

➤ Culbertson asked if the Board still wanted him to remodel the assessor's office, and the Commissioners answered affirmatively.

Prosecutor Office Air Conditioning: Culbertson said he had made necessary adjustments.

Airport Door Repair: Culbertson stated repair of the well house door at the Jerome Airport was completed.

HEALTH DISTRICT—UPDATE ON THE CORONAVIRUS

Present by speakerphone were Tanya Stitt, County emergency management director; Linda Montgomery and Josh Jensen, South Central District Health District; Dale Layne, Jerome schools superintendent, and Mike Williams, Jerome city administrator.

Commissioner Crouch was excused.

Josh Jensen updated on the number of coronavirus cases in Jerome County, saying there had been 49 new cases within the past seven days. He said the Health District was monitoring outbreaks and assisting long-term care facilities.

Jensen said the number of cases in the County was slowly trending downward, with no new outbreaks. He said the three District St. Luke's hospitals had admitted a slight increase of coronavirus patients and then referred to the situation report he had e-mailed the previous Friday. He said that the next coronavirus assessment would be on September 24.

Linda Montgomery said she had encountered opposition to wearing face masks and wanted some encouragement to give the public. Jensen said he would send a link to an article that illustrates that mask wearing reduces the dose of the virus. Tanya Stitt said she would disseminate the article to all employees.

Commissioner Crouch was present.

NANCY MARSHALL—PLANNING AND ZONING REPORT

Planning and Zoning Administrator Nancy Marshall was present.

Nancy Marshall read statistics from her monthly written report, which included finances, building department inspections and projects, code enforcement, mapping activities and projects, and planning and zoning department activities.

Marshall reported there was a potential of dropping services for the City of Shoshone because of discomfort between her staff and City officials. She said the building inspector would inform the Commissioners before taking any action in that regard.

Marshall told of a complainant who had sent pictures but made no formal complaint. It was determined she would send information from Commissioner Howell to the complainant.

Marshall told the Commissioners she and her staff had reviewed written suggestions from George Panagiotou and Scott Bybee on creating a Recreation Zone. She said she and her assistant meet weekly to review recreation zone assignments and also meet with legal counsel to write Recreation Zone text.

Meeting recessed at 11:52 A.M.
Meeting reconvened at 1:15 P.M.

MICHELLE EMERSON—CLERK MATTERS

Clerk/Auditor/Recorder Michelle Emerson, Chief Deputy Clerk Tracee McKim, and Treasurer Tevian Ekren-Kober were present.

Bond Documents: Michelle Emerson provided an e-mail from Christian Anderson with Zions Bank detailing the savings to the County by refinancing its jail bond. She said the interest rate had been decreasing.

❖ A Motion was made by Commissioner Crozier to authorize Michelle Emerson to lock in the interest rates for the bond refinancing. It was seconded and carried with unanimous ayes.

Credit Card Request: Emerson requested an additional credit card for the clerk's office, to be used exclusively for Zoom expenditures.

❖ A Motion was made by Commissioner Crozier to approve the acquisition of an additional credit card for use by the clerk's office, with a \$2500 limit. It was seconded and carried with unanimous ayes.

Emerson said the County's liability insurance company (ICRMP) was asking for photos of wind damage at the Fairgrounds.

➤ Commissioner Crozier said he would provide pictures.

CARES Act Funding Decision: Emerson provided information of whether other Idaho counties were accepting CARES Act funding to be used as property tax relief.

Commissioners Crozier and Crouch had not changed their opinions from the previous week of whether to accept the funding, with the former opposing it and the latter in favor of taking the money.

Commissioner Howell said he had more hesitation in accepting the funds than not accepting them.

Commissioner Crozier said he feared the possible ramifications of using the funds and said that the Commissioners had carefully considered both sides.

❖ A Motion was made by Commissioner Howell to decline Jerome County's participation in the Safety Plan Initiative as provided in Cares Act funding, based upon legal analysis from the prosecuting attorney. It was seconded and carried with Commissioners Howell and Crozier voting aye and Commissioner Crouch voting nay.

Commissioner Howell verified with Emerson that the County would still receive compensation from CARES Act funding for expenses related to preventing the spread of the coronavirus.

TIM LARSON—AIRPORTS REPORT

Airport Manager Tim Larson was present.

Tim Larson reported the water at the Jerome Airport would be shut off on Thursday so Gilbert's Pump Service could improve the water pressure, but Commissioner Crouch asked him to schedule another day for the service because Jerome 20/20 was holding its annual meeting at the Airport that day.

Larson said the small tractor repair, moving the electrical rack, and mowing by the highway department were still pending. He stated he had followed up from last week about setting fuel prices by phoning some gas stations and would contact airports that week.

Larson said he was waiting for two quotes for closed cabinets for the fuel island. He also said that the general manager of QT Pod was to call him that week about reimbursement for repair of the fuel island terminal.

➤ Commissioner Crouch asked that Larson make sure to mow next to the airport fences. Larson said his next big job was to clear out the green shed. The Board determined to reduce reports from Larson to every other week unless he had a matter that needed to come to the Board sooner.

GARY WARR—FAIR CAPITAL IMPROVEMENT PROJECTS

Attorney Mike Seib was present. Also present was Fair Board Chairman Gary Warr.

Fair Capital Improvement Projects: Gary Warr presented a quote to purchase new panels for the Fairgrounds. He said they would be portable and could be safely stored in the winter. He stated repairs to water troughs would amount to about \$3,000. He also said the McCormick tractor was not in good shape.

Monday, September 14, 2020

Page 6 of 8

❖ A Motion was made by Commissioner Howell to authorize expenditures from the County Fair Capital Outlay fund of \$8,000 for stock tank replacements; purchase of panels as itemized for \$12,322; and consideration of pursuing cost estimates for a new tractor. It was seconded and carried with unanimous ayes.

Property Purchase, continued from the morning session: Gary Warr said it would make sense for the Fair to own the 40-foot strip of land adjacent to the Fairgrounds. He favored allowing Franklin Building Supply to continue using the property for storage under a Memorandum of Understanding with Jerome County.

The Board determined to send a letter to the Idaho Department of Lands, expressing interest in purchasing the property.

EXECUTIVE SESSION

❖ 2:48 P.M. - A Motion was made by Commissioner Howell to go into executive session per Idaho Code 74-206(1)(b), personnel. It was seconded and carried with a unanimous roll call vote.

3:40 P.M. - Return to open session.

The Board discussed with Warr about advertising to hire a Fair manager.

MIKE SEIB—LEGAL COUNSEL

Attorney Mike Seib was present.

➤ Mike Seib advised to consult employees about their managers.

APPROVE CLAIMS

❖ A Motion was made by Commissioner Crozier to approve the claims as presented. It was seconded and carried with unanimous ayes.

The Board signed a Claims Approval Report dated September 11, 2020, for the Restitution-Courts Fund, with a grand total of \$8,818.13.

The Board signed a Claims Approval Report dated September 11, 2020, for the Indigent Fund, with a grand total of \$34,879.89.

The Board signed a Claims Approval Report dated September 11, 2020, with a grand total of \$265,297.02 for the following funds: General, Airport, District Court II, Justice, Health District, Election Consolidation, Indigent, Revaluation, Ambulance, Waterways-Sheriff Patrol, and Court Bond Trust.

READ AND APPROVE MINUTES

❖ A Motion was made by Commissioner Crozier to approve the minutes of September 8 as written. It was seconded and carried with unanimous ayes.

INDIGENT MATTERS

❖ A Motion was made by Commissioner Crozier to follow staff recommendations regarding indigent matters. It was seconded and carried with unanimous ayes. Approved were Case Nos. 1920-033 (amended) and M020-006 (non-medical).

Meeting adjourned at 4:08 P.M.

Respectively submitted:

Jane White
Jane White, Deputy Clerk

Charles M. Howell
Charles M. Howell, Chairman

A. Ben Crouch
A. Ben Crouch, Vice Chairman

*Approved as read
9/28/20*

John Crozier
John Crozier, Commissioner

IDAHO DEPARTMENT OF LANDS

*** Proof of Publication ***

Twin Falls Times-News
132 Fairfield St W, Twin Falls, Idaho 83301

JENNY GREEN, being duly sworn, deposes and says: That she is the Principal Clerk of the Times-News, a daily newspaper printed and published at Twin Falls, Twin Falls County, State of Idaho, and having a general circulation therein, and which said newspaper has been continuously and uninterruptedly published in said County during a period of twelve consecutive months prior to the first publication of the notice, a copy of which is attached hereto: that said notice was published in the Times-News, in conformity with Section 60-108, Idaho Code, as amended, for:

4 Insertions

Idaho Dept of Lands
Zane Lathim
300 N 6TH STREET, STE 103
BOISE ID 83720

ORDER NUMBER 106554

Jenny Green
(Legals Clerk)

STATE OF IDAHO)
SS
COUNTY OF TWIN FALLS)

On this 28 day of October in the year of 2020 before me, a Notary Public, personally appeared before me Jenny Green known or identified to me to be the person whose name subscribed to the within instrument, and being by first duly sworn, declared that the statements therein are true, and acknowledged to me that she executed the same.

Amy Wiesmore
Notary Public FOR Idaho
Residing at: Twin Falls, Idaho
My Commission expires: 9-4-2026

Section: Legals
Category: 50 Legal

PUBLISHED ON: 09/30/2020, 10/07/2020, 10/14/2020, 10/21/2020,
10/28/2020

TOTAL AD COST: 351.21
FILED ON: 10/28/2020

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the State of Idaho, acting by and through the State Board of Land Commissioners is considering the sale of an undivided fifty percent (50%) interest in real property to Jerome County, pursuant to Idaho Code §§ 58-331 and 58-332. The real property is located in the City of Jerome, Idaho, adjacent to the Jerome Readiness Center. Jerome County is the owner of the remaining undivided fifty percent (50%) interest in the property. This transaction would consolidate ownership of the property in Jerome County. The real property considered for disposal is referred to as Jerome Surplus, and is more particularly described as follows:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows: Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING. Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69. Thence South 40.00 feet in a straight line to a point that is 1/2 the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite." Thence West 570.00 feet along a line that is 1/2 the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite." Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING. The City of Jerome reserves an easement over, across and under the foregoing described real property for the purpose of maintenance, repair, replacement and improvement of an existing buried sewer line and a buried irrigation main line.

A public hearing is scheduled to take place at the Jerome County, Jack Nelson conference room, located at 300 N. Lincoln Ave. Jerome, Idaho 83338, on the 4th day of November 2020 from 9:00 am to 12:00 pm. The purpose of the hearing is to receive public comment on the proposed sale of the real property from the State of Idaho to Jerome County for the appraised value of \$28,500. Any questions should be directed to: Idaho Department of Lands, Zane Lathim, 300 N. 6th Street, Suite 103, P.O. Box 83720, Boise, Idaho 83720-0050. Persons requiring special accommodation at the public hearing must contact Zane Lathim at (208) 334-0288, at least seven (7) days prior to the hearing date to make arrangements.

All in-person attendees must comply with current COVID-19 safety protocols for public gatherings in the City of Jerome, including but not limited to wearing face coverings and observing physical distancing. Physical distancing measures significantly reduce the meeting room's normal capacity. Please consider joining via teleconference. Members of the public may participate in the meeting via teleconference, using the following: Dial toll-free: 1-877-820-7831 Enter passcode: 776652, followed by (#) key.

Dustin Miller, Director, Idaho Department of Lands.

Publish: 30 September, 7, 14, 21, and 28 October, 2020

AMY WIESMORE
COMMISSION NO. 20203230
NOTARY PUBLIC
STATE OF IDAHO

DEPT. OF LANDS

NOV 03 2020

BOISE, IDAHO

ATTACHMENT 3

Zane Lathim

From: Adleson, Bryant P NFG NG IDARNG (USA) <bryant.p.adleson.nfg@mail.mil>
Sent: Wednesday, November 25, 2020 6:29 PM
To: Zane Lathim
Cc: Clemence, Derek J 1SG USARMY NG IDARNG (USA)
Subject: Proceed with sale to Jerome County
Attachments: Quitclaim Deed - Jerome RC Street Vacation.pdf

Zane –

Please proceed with the sale to Jerome County for the street vacation land south of our Readiness Center in Jerome for the purchase price of \$28,500. No members of the public were opposed to the sale, as per the public hearing with zero attendees and no written comments. Please let me know if you have any questions.

Thank you

Bryant Adleson
Real Property Manager
State of Idaho, Military Division
Construction & Facilities Management Office (CFMO)

Office: 208.272.3732

Cell: 408.489.1910

E-mail: Bryant.p.adleson.nfg@mail.mil

**REAL ESTATE PURCHASE AND SALE AGREEMENT
SALE NO.**

This Real Estate Purchase and Sale Agreement ("Agreement") is made effective this ____ day of _____, 2020, by and between the **STATE BOARD OF LAND COMMISSIONERS**, acting by and through the **IDAHO DEPARTMENT OF LANDS**, whose mailing address is 300 N. 6th Street, Suite 103, PO Box 83720, Boise, Idaho 83720-0050 ("**Seller**"), and **JEROME COUNTY**, a political subdivision of the State of Idaho, whose mailing address 300 N. Lincoln Avenue, Jerome, Idaho 83338, ("**Buyer**"), for the purchase and sale of all of Seller's interest in that certain real property situated in Jerome County, Idaho (the "**Property**"), and legally described as follows:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows:

Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING;

Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69;

Thence South 40.00 feet in a straight line to a point that is 1/2 the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite;"

Thence West 570.00 feet along a line that is 1/2 the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite;"

Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING.

1. Purchase Price; Payment. The total purchase price for the Property is Twenty-Eight Thousand, Five Hundred Dollars (\$28,500.00), which amount, including any deposits paid, shall be paid in cash or other readily available funds at closing.

1.1 Earnest Money Deposit. Upon execution of this Agreement, Buyer shall pay a non-refundable deposit equal to five percent (5%) of the purchase price in the amount of One Thousand Four Hundred Twenty-Five Dollars (\$1,425.00), which will be held as an earnest money deposit. The deposit shall be applied against the total purchase price at closing.

1.2 Extension of Closing. Buyer may extend the date of closing one time by thirty (30) calendar days with an additional non-refundable deposit equal to five percent (5%) of the purchase price to Seller in the amount One Thousand Four Hundred Twenty-Five Dollars (\$1,425.00); provided however, that in the event of a successful closing, the additional deposit shall be applied to the purchase price at closing.

1.3 Additional Fees. In addition to all other money, deposits, costs, and fees to be paid by Buyer, Buyer shall pay at closing, the following:

1.3.1 All closing costs, escrow fees, title insurance, if desired, and all recording fees;

1.3.2 Appraisal Fee of One Thousand seven Hundred Dollars (\$1,700.00);

1.3.3 Public Notice – Times News Invoice of Three Hundred Fifty-One Dollars and Twenty One Cents (\$351.21); and

1.3.4 Surplus Administration Fee – equal to Five percent (5%) of the purchase price in the amount of One Thousand Four Hundred Twenty-Five Dollars (\$1,425.00).

2. Included Items. All of Seller's interest in the fixtures and improvements currently existing on the Property, if any.

3. Closing.

3.1 Time for Closing; Termination Date; Closing. The sale shall be closed in the office of the Jerome First American Title Company, whose address is 199 Country Lane, Jerome, Idaho 83338 ("**Closing Agent**"), within thirty (30) days of execution of this Agreement. As stated in Section 1.2, above, Buyer may extend the closing for up to one separate thirty (30) day period. At closing, Buyer and Seller shall deposit in escrow with Closing Agent all instruments, documents, and monies necessary to complete the sale in accordance with this Agreement. As used herein, "**closing**" or "**date of closing**" means the date on which all appropriate documents are recorded, and proceeds of the sale are available for disbursement to Seller. Funds held in reserve accounts pursuant to escrow instructions shall be deemed, for purposes of this definition, as available for disbursement to Seller.

3.2 Proration. Taxes and assessments for the current year, if any, shall be prorated as of the date of closing.

3.3 Possession. Buyer shall be entitled to possession of the Property upon closing.

4. Conveyance of Title. At closing, Seller shall execute and deliver to Buyer a State Deed conveying Seller's interest in the title to the Property.

5. Title Insurance. The costs of a standard title insurance policy and/or endorsements, if any, shall be incurred by Buyer.

6. Representations and Warranties. Buyer acknowledges that Buyer was and is responsible for making a thorough inspection of the Property at its own expense, as well as thoroughly researching any information available about the Property and its surroundings prior to the date of this Agreement. Prior to signing this Agreement, Buyer acknowledges that Buyer or its designee was afforded the right to have an inspection(s) of the physical condition of the Property at Buyer's expense. This Agreement is NOT contingent upon an inspection by Buyer. Buyer has satisfied itself as to the condition of the Property, and no further inspections shall impact Buyer's duty at Closing. Buyer is purchasing the Property "AS IS" and "WHERE IS", without any warranties, express or implied, from Seller. Seller will not make any repair or improvement to the Property. Buyer further acknowledges that Buyer is not relying upon any statement or representation by Seller or by any broker(s) or any other representative of Seller that are not expressly set forth in this Agreement.

BUYER ACKNOWLEDGES AND AGREES THAT BUYER HAS BEEN INFORMED AND UNDERSTANDS THAT SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY ASPECT, IMPROVEMENT, FIXTURE OR CONDITION OF THE PROPERTY OR THE INCLUSIONS, INCLUDING, WITHOUT LIMITATION, THE EXISTENCE OF HAZARDOUS WASTE OR MATERIALS THEREON, OR THE SUITABILITY OF THE PROPERTY FOR BUYER'S INTENDED USE, TO BUYER BEYOND THOSE EXPRESSLY PROVIDED IN THIS AGREEMENT.

6.1 Authority. Seller has full power and authority to execute this Agreement and perform Seller's obligations hereunder.

6.2 Parties In-Possession. The Property is not subject to any lease, tenancy, or rights of any person-in-possession except as have been disclosed to Buyer.

7. Buyer's Authority. Buyer represents and warrants to Seller that at the date of the execution of this Agreement, and at the date of closing, that Buyer, and any person signing on behalf of Buyer, has and shall have full power and authority to execute this Agreement and to perform Buyer's obligations hereunder.

8. Default; Attorney Fees. Time is of the essence of this Agreement. If Seller defaults hereunder, Buyer may seek specific performance of this Agreement, damages or rescission, and in the event of rescission, Buyer shall be entitled to a return of any deposit, whether or not identified as non-refundable, upon demand; and, in such event, Seller hereby releases all claims to any such deposit in the event of such default. If Buyer defaults, all deposits shall be forfeited to Seller as liquidated damages; and, upon retention of such deposits by Seller, Buyer shall have no further obligation or liability hereunder. In any suit, action or appeal therefrom, to enforce this Agreement or any term or provision hereof, or to interpret this Agreement, the prevailing party shall be entitled to recover its costs incurred therein (and on appeal), including reasonable attorney fees.

9. Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail), by certified mail, by email or by facsimile upon confirmation of receipt if sent via email or facsimile. Any notice given by certified mail shall be sent with return receipt

requested. Any notice given by email or facsimile shall be verified by telephone. All notices shall be addressed to the parties at the addresses set forth in this Agreement, or at such other addresses as the parties may from time to time direct in writing. Any notice shall be deemed to have been given on the earlier of (a) actual delivery or refusal, (b) three (3) days after mailing by certified mail, or (c) the day email or facsimile delivery is verified.

10. Commissions. Not applicable.

11. Counterparts. This Agreement may be executed in any number of counterparts for the convenience of the parties, all of which, when taken together and after execution by all parties hereto, shall constitute one and the same Agreement.

12. General. This is the entire agreement of Buyer and Seller with respect to the matters covered hereby and supersedes all prior agreements between them, written or oral. This Agreement may be modified only in writing, signed by Buyer and Seller. Any waiver must be in writing. No waiver of any right or remedy in the event of default shall constitute a waiver of such right or remedy in the event of any subsequent default. This Agreement shall be governed by the laws of Idaho. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties hereto. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof.

13. Assignment. Buyer may only assign its rights hereunder to any person(s) or entities with the prior written consent of Seller.

[Remainder of page intentionally left blank]

IDAHO DEPARTMENT OF LANDS

Executed below.

SELLER:

STATE BOARD OF LAND COMMISSIONERS,
acting by and through the **IDAHO DEPARTMENT**
OF LANDS

Date: _____

Signed: _____

By: _____

Its: Director, IDAHO DEPARTMENT OF LANDS

Seller's Address:

300 N. 6th St. Suite 103

P.O. Box 83720

Boise, ID 83720-0050

Telephone:

208-334-0200

Email contact:

zlathim@idl.idaho.gov

The logo of the Idaho Department of Lands is a large, stylized diamond shape. It features a light green background with a yellow border. Inside the diamond, there are stylized representations of mountains and a river. A horizontal banner across the middle of the diamond contains the text "IDAHO DEPARTMENT OF LANDS" in white, bold, capital letters.

IDAHO DEPARTMENT OF LANDS

BUYER:

JEROME COUNTY,
a political subdivision of the State of Idaho

Date: _____

Signed: _____

By: Charles Howell

Its: Chairman of Commissioners

Signed: _____

By: A Ben Crouch

Its: Vice Chairman of Commissioners

Signed: _____

By: John Crozier

Its: Commissioner

IDAHO DEPARTMENT OF LANDS

Buyer's Address:

Jerome County
300 N. Lincoln
Jerome, Idaho 83338

Telephone:

Email contact:

STATE OF IDAHO DEED

DEED NO. 14342

THIS STATE DEED ("Deed") is made this ____ day of _____, 2021, by the **STATE OF IDAHO, STATE BOARD OF LAND COMMISSIONERS**, whose mailing address via the **IDAHO DEPARTMENT OF LANDS**, its administrative agency, is 300 N. 6th Street, Suite 103, PO Box 83720, Boise, Idaho 83702 ("**Grantor**"), and **JEROME COUNTY**, a political subdivision and one of the organized counties of the State of Idaho, whose mailing address is 300 North Lincoln, Jerome, Idaho, 83338 ("**Grantee**").

WITNESSETH: That Grantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, convey and release unto Grantee all of Grantor's right, title and interest in and to the following described real property (the "**Property**") situated in Jerome County, State of Idaho, to-wit:

A portion of First Avenue, lying adjacent to Blocks 69 and 70, "Jerome Townsite," in the SW1/4SE1/4, Section 13, Township 8 South, Range 16 East, Boise Meridian, Jerome County, Idaho; being more particularly described as follows:

Commencing at the Southwest corner of Block 70, and being the REAL POINT OF BEGINNING;

Thence East 570.00 feet along the Southerly boundary of Blocks 70 and 69 to the Southeast corner of Lot 14, Block 69;

Thence South 40.00 feet in a straight line to a point that is 1/2 the distance between the Southeast corner of Lot 14, Block 69 and the Northeast corner of Lot 3, Block 72, "Jerome Townsite;"

Thence West 570.00 feet along a line that is 1/2 the distance between the Southerly boundaries of blocks 69 and 70 and blocks 72 and 71, "Jerome Townsite;"

Thence North 40.00 feet along the Westerly boundary of block 70 to the REAL POINT OF BEGINNING.

TOGETHER WITH:

1. All mineral rights pursuant to Idaho Code § 47-711(1).
2. The tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

SUBJECT TO all matters, whether or not of record, including, but not limited to, an easement in favor of the City of Jerome for the purpose of maintenance, repair, replacement and improvement of an existing buried sewer line and buried irrigation main line.

RESERVING THEREFROM, a right of way for ditches constructed by authority of the United States as identified in Idaho Code § 58-604.

THE PROPERTY IS CONVEYED "AS IS", with no representation or warranty of any kind as to the fitness of the Property for any particular purpose.

TO HAVE AND TO HOLD, all and singular, the Property unto the said Grantee and its successors and assigns forever.

IN WITNESS WHEREOF, I, **BRAD LITTLE**, the Governor of the State of Idaho and President of the State Board of Land Commissioners, have hereunto signed my name and caused the Great Seal of the State of Idaho and the Seal of the State Board of Land Commissioners to be hereunto affixed hereto.

Governor of Idaho and President of the
State Board of Land Commissioners

COUNTERSIGNED:

Secretary of State

Director, Department of Lands

STATE OF IDAHO)
) ss.
County of Ada)

On this ___ day of _____, in the year 2021, before me a Notary Public in and for said State, personally appeared **BRAD LITTLE**, known to me to be the Governor of the State of Idaho and President of the State Board of Land Commissioners, and **LAWERENCE E. DENNEY**, known to me to be the Secretary of State of the State of Idaho, and **DUSTIN T. MILLER**, known to me to be the Director of the Department of Lands of the State of Idaho, who executed the said instrument and acknowledged to me that such State of Idaho executed the same.

Notary Public for the State of Idaho

Residing at: _____



Idaho State Board of Land Commissioners

Brad Little, Governor and President of the Board

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Secretary to the Board

Be it remembered, that the following proceedings were had and done by the State Board of Land Commissioners of the State of Idaho, created by Section Seven (7) of Article Nine (IX) of the Constitution.

Draft Minutes

State Board of Land Commissioners Regular Meeting

November 17, 2020

The regular meeting of the Idaho State Board of Land Commissioners was held on Tuesday, November 17, 2020 in the State Capitol, Lincoln Auditorium (WW02), 700 W Jefferson Street, Boise, Idaho, and via webinar. The meeting began at 9:00 a.m. The Honorable Governor Brad Little presided. The following members were in attendance:

Honorable Governor Brad Little
Honorable Secretary of State Lawrence Denney
Honorable Attorney General Lawrence Wasden
Honorable State Controller Brandon Woolf
Honorable Superintendent of Public Instruction Sherri Ybarra

For the record, the Governor's Stage 2 Stay Healthy Order, dated 11/13/2020, limited gatherings, including public meetings, to 10 persons or less in physical attendance. Attorney General Wasden was present at the physical meeting location with all other Board members joining via Zoom webinar.

1. Department Report – Presented by Dustin Miller, Director

Trust Land Revenue

A. Timber Sales – October 2020

B. Leases and Permits – October 2020

Discussion: Referring to the graph on page 4 of the Timber Sales report, Governor Little requested a more accurate reflection of the timber revenue that is coming in. Controller Woolf asked if a 6-month rolling average is an optimal review or would a different time frame better capture timber revenue. Director Miller replied the 6-month rolling average has historically been utilized; the Department is working on a method to capture revenue more accurately in real time. Controller Woolf inquired if the Department is doing all it can to capitalize on current market conditions. Deputy Director Bill Haagenson responded the Department markets timber sales according to the timber sales plan approved by the Land Board. The Department tries to get 50% of timber sales offered before the end of the calendar year to capitalize on the right timing for sales during the late summer and to hit another significant volume later in the spring. Sales

are timed in a way that helps the industry; operators are in a better position to have more time to harvest the sales, and that allows them to bid a higher price on those sales. The Department is not able to make significant adjustments to the timber sales plan in order to capitalize on current markets because sales are prepped approximately two years in advance.

2. Endowment Fund Investment Board Report – *Presented by Dean Buffington, Chairman, Endowment Fund Investment Board, Chris Anton, EFIB Manager of Investments, and Tom Wilford, Chair, Land Board Audit Committee*

- A. FY2020 Annual Report
- B. Manager's Report
- C. Land Board Audit Committee Report

Discussion: Chairman Dean Buffington explained the Endowment Fund Investment Board is having a joint meeting with the State Land Board as happens each May and November to maintain communications. Mr. Buffington said the Investment Board is happy to participate today, especially after the way the markets have acted the last few days. Following this presentation, the Investment Board will convene at its regular November meeting at 10:00 this morning. Mr. Buffington identified members of the Investment Board: Jerry Aldape; Warren Bakes, Chair of the Compensation Committee; Representative Steven Harris; Irv Littman; Gary Mahn; Richelle Sugiyama, Vice Chair of the Investment Board; Tom Wilford, Chair of the Land Board Audit Committee; and Senator Chuck Winder. Also present today is Julie Weaver with the Attorney General's Office; Callan representative Janet Becker-Wold; CliftonLarsonAllen representative Braden Rudd; and EFIB staff Chris Anton, Chris Halvorson, Kathy Van Vactor and Liz Wieneke. Mr. Buffington noted that Mr. Anton will provide a summary of the Fiscal 2020 financial performance and an update of FY2021 year to date, then Mr. Wilford will discuss the recent efforts and results of the Land Board Audit Committee.

Mr. Anton highlighted from the Endowment Fund Investment Board FY2020 annual report some of the important performance measures that took place during the year. Fiscal year 2020 was a challenging year due to the COVID-19 world-wide pandemic, but it turned out to be a strong year for the endowment fund. The endowment fund grew by 3% or \$72.2 million to just under \$2.4 billion as of June 30, 2020. Earnings reserve levels exceeded targets at the end of the fiscal year, which allowed the Land Board to approve the transfer of \$18.7 million from earnings reserves into the permanent fund. That transfer increased the gain benchmark and positioned the fund for larger beneficiary distributions in the future. The endowment fund had investment returns of 5.2% during the year which ranked the fund in the top 15th percentile in the Callan public fund sponsored database. Costs to manage the fund were up slightly to \$11.5 million or 0.48%, reflecting the fact that a greater portion of the fund is now managed through active management, particularly in the fixed income area where active management was added. Net land revenue grew by 18.8% to \$47.5 million as the Department of Lands advanced its Forest Asset Management Plan to sustainably increase the volume of timber harvested. Distributions to beneficiaries grew by 3.5% to \$80.9 million in FY2020; the Land Board approved distributions of \$84.5 million and \$88.1 million in fiscal years 2021 and 2022 respectively. It was a very solid, very positive year for the fund.

Prior to giving the October year-to-date report, Mr. Anton remarked the monthly reports are always interesting because they are written a couple of weeks prior to the meeting; this update was written prior to the [presidential] election and much has happened since the election. Mr. Anton reported the equity markets were strong during most of the month of October but slowed off in the final few days and ended down 1% for the month which left the fund up 4.6% fiscal year-to-date through October 31. The volatility seen in the equity markets resulted primarily from concern over heightened COVID-19 infection rates around the country and different parts of the world, uncertainty surrounding the presidential election, and the impasse in Congress with the critical second round of fiscal stimulus. The second wave of COVID-19 cases depressed investor sentiment and led to a selloff in global equities late in the month particularly in the areas where cases spiked: The United Kingdom, Europe, and many parts of the United States including Idaho. China, however, has been fairly successful at controlling the spread of the virus and their economy has been rebounding; Chinese equities had strong gains during the month of October. Despite the infection rate, the economy still seems fairly strong as the economies generally reopen, the Federal Reserve has been accommodative, and the U.S. had the first round of fiscal stimulus. During October and more recent periods, the GDP increased, unemployment improved, and manufacturing data gained strength. Although the U.S. has rebounded considerably from depths of the virus when the nation had lock downs, the country is still well below pre-pandemic levels. Most people believe that a second round of stimulus is important to keep the economy moving until the new vaccines are fully in place and until the virus situation is controlled. Mr. Anton commented that was the status at the end of the month. There was a lot of uncertainty around the election, a lot of challenges with COVID-19 increases. Since the end of the month, the election is over, and a new president is identified. There is a divided Congress which may present some challenges in the second round of stimulus but hopefully a deal will be done in the near future. On the positive front, both Pfizer and Moderna have announced, with sizable case studies of their vaccines, very high effective rates. Pfizer announced their vaccine is 90% effective and Moderna 94.5%. As a result, the markets have rebounded with the relief of uncertainty around the presidential election, and the belief that a vaccine is coming that will be effective although certainly it will take time to implement and roll out. The endowment fund is up more than 8% so far during the month of November and through yesterday [November 16] the portfolio was up 13.1% fiscal year-to-date. Two short weeks can make a big change during certain periods as seen in a positive manner for the first part of November. Mr. Anton concluded his monthly report by mentioning reserves are in good shape given investment returns.

Governor Little observed that he loves green in the report and remarked that for the Investment Board to be 100 basis points above the benchmark for 3 years and 50 basis points for 10 years means EFIB staff and advisors are earning their wages; it is pretty incredible. Governor Little thanked the Investment Board members for their service to the state of Idaho.

Mr. Anton introduced Tom Wilford, Chair of the Land Board Audit Committee, to present the independent auditors' report of financial statements and agreed-upon procedures. Mr. Wilford noted that members of the audit committee include Gary Mahn, Jerry Aldape, Robin Lockett, and State Controller Brandon Woolf. Each year the State of Idaho Endowment Fund commissions an independent audit of financial reports of the Idaho Department of Lands and conducts certain agreed-upon procedures to ensure accurate financial reporting, solid internal controls, and transparency to its stakeholders. The Land Board Audit Committee met with representatives of

the independent auditors of CliftonLarsonAllen, members of EFIB, and Department of Lands staff on August 12, 2020 to review these results and these procedures. Mr. Wilford reported that the audited financial statements and the agreed-upon procedures were reviewed and accepted by the Land Board Audit Committee. CliftonLarsonAllen issued three reports and provided an unmodified opinion, also referred to as an unqualified opinion. These opinions are a representation by a professional independent third party; the financial statements present fairly in all material respects the financial position of the State of Idaho Endowment Fund as of June 30, 2020 and 2019. CliftonLarsonAllen also tested the agencies internal controls over financial reporting in compliance with certain provisions of the law, regulations, and contracts and found no issues to report. Mr. Wilford indicated that because this is his first year on this committee, the auditors spent some time explaining to him the internal controls; he was satisfied with their explanations. CliftonLarsonAllen also conducted agreed-upon procedures for the Department of Lands; they had no findings to report and that is good news. Mr. Wilford stated the audit committee has an agreeable relationship with the CPA firm. Mr. Wilford said he had a good relationship with the auditors this year and had beneficial meetings with them during his first term in office.

3. Performance Review of Total Endowment – *Presented by Dustin Miller, Director*

Discussion: None.

Consent—Action Item(s)

4. Statement of Investment Policy Annual Review – *Presented by Bill Haagenson, Deputy Director*

Recommendation: Approve the revised Statement of Investment Policy.

Discussion: Attorney General Wasden thanked Mr. Haagenson and noted that in his review of the document, it appeared that most of the changes were some typographical errors, some updating of current numbers or percentages; it was primarily not substantive changes, but either clarification, correction, or updating of numbers. Attorney General Wasden asked if that was an accurate depiction. Mr. Haagenson replied that is correct.

Governor Little directed the Board members to page 5 and remarked the allocation looked like an update but wondered if that included the Packer acquisition and the expected 33% increased revenue with the Forest Asset Management Plan. Governor Little asked if those are reflected there, and not just a 2% increase in fiscal impacts, a 2% increase in fiscal assets and a 2% decrease in timberland. Mr. Haagenson responded that any acquisitions made with Land Bank funds have increased the overall value of the timberland portfolio, so an adjustment was made. For example, if the Department reinvested \$5 million in timberland that would then be added to the overall valuation of the timberland asset class. The Department has not made any adjustments to the valuation based on anticipated increases in income. Governor Little inquired if an asset that is returning 5% all of a sudden is going to be returning 8%, should that fit into this. Mr. Haagenson indicated the recommendation is to do periodic reevaluations of the value of those asset classes; that is something the Department plans to do. Preliminary conversations have occurred, and it will be moving forward sometime soon. Governor Little asked when the Land Board can expect to see this document updated to reflect the Forest Asset Management Plan. Mr. Haagenson answered the Department intends to bring that to the Land Board for

approval next year. Governor Little clarified the Land Board would not see anything for a year. Mr. Haagenson noted it would not be this document, which is reviewed annually. A reevaluation of the value of the timberland asset class is something the Department can move forward with sooner than that. Governor Little expressed his preference for a higher level of transparency so the beneficiaries know what kind of cash flow will be coming in rather than doing it only on a yearly basis. Mr. Haagenson replied that the Department will work on that.

5. Approval of Draft Minutes – October 20, 2020 Regular Meeting (Boise)

Consent Agenda Board Action: A motion was made by Attorney General Wasden that the Land Board adopt and approve the Consent Agenda. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

Regular—Action Item(s)

6. Forest Legacy-Clagstone Meadows Conservation Easement Partial Extinguishment – Presented by Craig Foss, State Forester and Division Administrator-Forestry and Fire

Recommendation: Authorize the partial conservation easement extinguishment and sale in lieu of condemnation on approximately 13.7 acres of the Clagstone Meadows Conservation Easement in Bonner County.

Discussion: Controller Woolf noted that the Land Board is doing its part from the Department of Lands standpoint and inquired what action by the Land Board today is impacted or tied with the Idaho Fish and Game. Does their board also have to approve it and is there any connection with Stimson Lumber? Mr. Foss explained that typically the Department is the sole agency purchasing conservation easements using Forest Legacy dollars. Restrictions for the Department should something like this occur are dictated by fund requirements at the time of purchase. Mr. Foss stated in this particular case, Fish and Game also had a vested interest in acquiring this easement. They used different federal monies with different federal requirements; any refund of those monies back to Fish and Game or how they use them is dictated by the source of the federal funds used for the purchase. The Department is not tied to Fish and Game or vice versa in terms of how each agency uses their funds. Each agency has to follow the federal guidelines for the funds used in the original acquisition. Fish and Game will be able to use their funds in a manner directly tied to the source of those funds. Mr. Foss said he did not know whether Fish and Game needs to go through a similar approval process with their advisory board.

Governor Little asked if neighbors and county commissioners are notified when the Department does a Forest Legacy transaction, whether it is purchasing a conservation easement or extinguishing one such as before the Land Board today. Mr. Foss answered when the Department is purchasing a conservation easement and is in negotiations, staff notifies the county commissioners and land trust sponsor for each project, who meets with the commissioners. In the case of an extinguishment, where there is essentially a condemnation by the Idaho Transportation Department, there is a small amount of money coming back to the Department. When the Department reinvests those funds in another easement, staff will certainly be working with the county where the proposed acquisition is located and with the landowners. Mr. Foss noted in this case, though, his understanding is that the Department has not reached out to let folks know about the extinguishment. Governor Little recommended that

at one of the future Land Board meetings with a Forest Legacy project, the Department proposes a public outreach. Governor Little commented the Land Board usually receives a sheet of who is in favor, but never a sheet of who is opposed to the conservation easement. Governor Little observed that from a transparency perspective, the Land Board and Department should have a process through which the public is made aware of these projects; the Department can work on that for future. Governor Little added that forever is forever, but the Land Board is proving by this vote that it is not forever; the Land Board is unwinding it. Frankly, the economic prosperity of the state is enhanced by allowing this condemnation process to go through, but the public ought to have better awareness.

Board Action: A motion was made by Attorney General Wasden that the Land Board adopt and approve the Department's recommendation that is authorize the partial conservation easement extinguishment and sale in lieu of condemnation on approximately 13.7 acres of the Clagstone Meadows Conservation Easement in Bonner County. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

7. Due Diligence for DeAtley (Lolo Creek) Land Exchange – *Presented by Josh Purkiss, Program Manager-Real Estate*

Recommendation: Approve proceeding with due diligence for the DeAtley land exchange proposal.

Discussion: Governor Little asked if, during due diligence on these land exchanges, the Department notifies neighbors. Governor Little noted county commissioners were mentioned in the presentation which is a good thing. Mr. Purkiss replied notification to neighbors is not currently in the process, but staff can have a discussion and possibly add it to the process. Governor Little supposed that if he was a neighbor with state land out his back door and the next day there was a no trespassing sign on it, he might have an opinion about that. Governor Little requested that Department staff get back to the Land Board about a policy going forward. Mr. Purkiss responded they will do so.

Board Action: A motion was made by Attorney General Wasden that the Land Board adopt and approve the Department's recommendation that is authorize the Department to proceed with due diligence for the DeAtley land exchange proposal. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

Information

Background information was provided by the presenter indicated below. No Land Board action is required on the Information Agenda.

For the record, prior to the start of presentations, Director Miller stated there are two information items. The first is a presentation from Trident Holdings regarding a proposal for endowment lands within the McCall area. The next is an update from the Department regarding its draft Payette Endowment Lands Strategy. Director Miller stressed that folks need to understand that this is strictly informational; no decisions will be made by the Land Board. Director Miller noted there is a lot of interest in both agenda items, and the Governor has a list of individuals who signed up to provide public comment.

Attorney General Wasden made a couple of observations. One is that in the agenda for today's meeting, the Trident presentation is placed on the informational part of the agenda; it is not marked as an action item and as a matter of law the Land Board cannot take any action on this portion. Attorney General Wasden stated he was reemphasizing what the Director said. That is important, because the Attorney General heard some comments in the community that the Land Board was going to make this decision today. As a matter of law, the Land Board cannot make that decision today. In addition, Attorney General Wasden mentioned he has been described, or others on the Land Board have been described, as the adversaries which is not factual. The Land Board is fulfilling its fiduciary responsibility to obtain information concerning these lands. That is why it is on the informational agenda. There may be decision points at some point in the future and there will be plenty of opportunity for input into those decisions, but they will not be made today. The Land Board is not in that sense the adversary, it is simply trying to fulfill its fiduciary responsibility to make decisions that put this land in a position to obtain the maximum long-term financial return as demanded by the constitution. Attorney General Wasden made his preliminary statement to help folks understand what the Land Board is trying to accomplish today and what the Land Board is trying to accomplish in the long run.

Governor Little echoed what the Attorney General said. Governor Little commented that according to the sign-up sheet the bulk of people are opposed. Governor Little advised everybody to pay attention to both presentations.

8. Trident Holdings, LLC Request for Audience – *Presented by Alec Williams, Manager, Trident Holdings LLC, and David New, President, Growing Excellence Inc.*

[Editor's note: Due to duration, the Discussion portion of this item is written in first-person format. This is not a verbatim transcript.]

Discussion:

Alec Williams: Governor and Land Board members, thank you for letting us present to you today. My name is Alec Williams and I am here to discuss with you the endowment lands in Valley County that have been described as a big hairy piece of land. I represent Trident Holdings and our PreserveMcCall proposal. Here with me today is Dave New and off screen we have Brent Lawson who together led our economic analysis. This proposal represents the work of 21 different people working tirelessly over the last 6 months and whose backgrounds span decades of work in conservation, land lot, park planning, mountain engineering, developments, economics, forest management, and community outreach. The pages of analysis that fill your binders and support this short presentation are something we hope you will spend time with, and we are eager to address your questions on today. Staff asked us about 6 months ago to first get feedback from the community. This proposal represents the product of that initial feedback and we'll hope to use that as a starting point for continued community outreach going forward. This is a process far more than it is ever a plan. It is a process that we want to be a good partner in. To that end, our presentation has 3 goals. First, we'll show how the land exchange provides schools statewide with \$107 million worth of real value. Our analysis proves that financial benefits of an exchange like this beats transitioning in order to then sell these lands. It beats asking IDL to become a developer and it beats holding lands for their appreciation value in future sale. Second, this proposal protects public access better than keeping these lands as endowment trust assets. In fact, this proposal gets to enhance that access by creating the state's largest

public park. Doing that serves all Idahoans. Third, we'll show how this path fulfills the needs we've heard community members voice; ranging from housing options priced for Idahoans to community recreation centers. I was born and raised here in Idaho. Four generations ago, my great grandparents built one of the first homes on the lake's east side. We've been going to the same spot ever since. It was there I trained for my military service, then following an MBA and law degree, I worked on major national-level capital projects but always remained based here in Idaho because I love it here. I gave up that career to leverage these skills and experiences for a project and place I believe in. I do want to first let Dave New discuss why this proposal is the best path forward for beneficiaries.

David New: Good morning, my name is David New. Thank you for the opportunity to speak with you today. I am here today as an independent advisor to Trident Holdings and the PreserveMcCall project, representing Smart Forest Solutions, part of that group of consultant advisors to Trident Holdings. I would also like to recognize the contributions to this analysis I am going to share a summary of with you, my fellow economists and business analysts Brent Lawson and Tom Montzka. My personal expertise for undertaking this analysis includes tertiary education in forestry and macroeconomics, as well as a career experience in timberlands appraisals, large-scale forest asset management including in Idaho, and a successful endowment land exchange in 2012. I am here today only because I believe that this proposed exchange is good for the endowment beneficiaries and in fact all Idahoans. I have also come to respect the sincerity, credibility, courage, and vision of Alec Williams. The endowment lands in the Payette Lakes basin face a growing challenge. Managing lands around a resort community for its timber revenues creates both a conflict and in fact a lost opportunity. Honoring the Land Board's esthetic management policies constrains timber revenue within the viewshed of Payette Lake, which already actually sits in an impaired timber market wood basket. In the next few minutes, I will show the value an exchange creates, how that beats performance today, and how it beats other strategies for managing these lands potentially in the future. For this exchange, our team worked to secure options on a little over 30,000 acres of lands in North Idaho. Timberlands that meet or exceed IDL's investment criteria. These criteria provide components of economic value for beneficiaries beyond simply their anticipated future returns. First, we recruited younger forest lands that enhanced the endowments allowable cut effect. Acquiring younger forests allows IDL to harvest more of its mature holdings elsewhere across the state. Second, we sought out private parcels that unlocked legal and physical access to lands the endowment already owns. Finally, there's a large benefit from supporting the endowments portfolio reallocation targets. This plan increases the endowments' timber and land investments to then help meet Callan's and the Land Board's recommended percentage asset allocations. More Land Bank funds are therefore available to invest in higher returning instruments such as equities. I also do want to point out that, because of some changes made at the last moment, on page 66 of the public document there is a small error in terms of the statement of the total revenues. What we're showing you today reflects that amendment. The results of these other value components are that for every appraised dollar of value in McCall, that same value to the endowment is multiplied when routed through an exchange. Basically, the more you believe McCall's endowment lands are worth, the more compelling a land exchange becomes as it multiplies the original value. In light of historical county opposition to endowment timberlands acquisitions, the project will create a tax escrow structure. This is a privately funded PILT [payment in lieu of taxes] to make these North Idaho counties whole in terms of property taxes. When you conservatively break down these components of value, the outcome is a potential \$3.7 million of

annual net income or a long-term real net present value of \$107.3 million for the beneficiaries. Let's compare this with financial statements IDL shared with the Valley County Commission recently. Even if IDL achieves the \$4.8 million of net revenue it projects over the next 10 years, which would be far more than it's ever received harvesting this land in the past, that still represents \$480,000 annually. The chart that is before you now shows how land exchange also grows the endowments' other asset classes. The accretive value this reallocation provides, following Callan's targets, is \$1.2 million annually or \$36 million in net present value. Finally, we evaluated several further asset strategies that we've heard during the last 9 months. To compare them, we projected these strategies over 80 years. Those potential strategies included holding the land for its appreciation value and potential future sale, having IDL conduct development in-house, and undertaking a land exchange; even in the worst case scenario delayed by unknown future litigation expenses, which is not something we believe is likely or merited, a land exchange still surpasses all other investment alternatives on every metric. I mentioned before the multiplier effect that this exchange offers. This is a real present value to beneficiaries divided by the appraised land value. You can see here a comparison of that multiplier for the alternatives. The total appraised values, the third column on the diagram that you're looking at, offers a range of values McCall's endowment lands might get appraised for, and therefore desired by the state, sold for. Conservation easements on non-urban lands are also an option. However, easements generally trade for less than the full economic land value. That makes selling easements that restrict endowment lands forever an even worse fiduciary path than selling that land outright. Finally, let's compare these strategies on several metrics. An exchange generally generates higher returns due to its multiplier effect, but it does so with a low earnings volatility of timberland. This quality makes the risk-adjusted return on an exchange extremely strong. Considering risk-adjusted returns is critical to the endowment management over long-term horizons and is actually the basis of Callan's very sound asset allocation guidance to the Land Board over the last decade. When you compare all of these metrics for each investment path at a range of different appraisal values for McCall, the appropriate choice is obvious. We are providing our analysis, tables, and data to IDL as they analyze and recommend the best fiduciary path for the beneficiaries they serve. In conclusion, indecision has a real economic cost though. Indecision is in fact an investment decision. Each month spent waiting asks state schools to forgo one-third of \$1 million of lost potential revenue and the more McCall grows the more untenable the status quo becomes. Finally, the Department's proposal that we'll hear about later today suggests getting rid of the high value areas near the lake first, then figuring out the rest later. That destroys value on the endowment lands away from the water by diminishing their access to the lake and for the community it ends up being all about development but no park. In summary, an exchange creates \$107 million of real value at lower volatility level, it beats how these lands perform today, and it beats other strategies for managing these lands. I will turn you back over now to Alec to talk about the extensive land use planning that they have been working on.

Alec Williams: A high school friend of mine who grew up spending time in Valley County can no longer go. He doesn't own a boat, can't afford a home, and even the summer campsites in Ponderosa State Park are booked out by mid-December. McCall feels closed to him. When COVID hit, spiking both tourism and home sales, there was really no place to go. In a different conversation a couple of months back, a McCall real estate agent explained this lack of supply. Because of scarcity, out-of-state buyers have priced out Idahoans from owning homes there. If younger Idahoans are to stay here or come back to areas like Valley County, they need two things: a place to go and a reason that is protected to keep going. Creating an enormous public

park alongside areas of purposeful development gives Idahoans both. Now, these maps offer but a template we'll take to the community in the months ahead. We created this because residents asked us to come up with a working draft for how lands might get used so that they can tinker with and improve them. Responding to that request is why we created this document. No future change is off limits. We also polled the community and it showed how people's number one concern above everything else is public access. That's why our preferred park creation route is to expand Ponderosa State Park from 1,500 acres today to 19,000 acres after an exchange, to provide it the capital to grow and improve that park, and to allow Ponderosa to fund revenue for other state parks statewide. As with any private sector solution, there is a profit motive here, and that's because funding the largest park in Idaho history requires a bunch of capital that charity alone can't provide. It is a solution that doesn't just protect access, it improves it. In the interest of time we'll talk a little bit about how that is possible. Here's why it improves access. When you manage this area as a park, it reflects how it is used today. Managing this area as a park is outside IDL's mandate. Prioritizing ecology, viewsheds, and even access itself is outside that fiduciary mandate, whenever those goals conflict with financial returns to schools. That's why managing this land as a park would open up IDL's gated roads. These gates prevent careless recreators from harming endowment land values. It also helps draw congestion away from the lake and into the uphill scenery. Managing this as a park also extends Ponderosa up the North Fork meanders. We were even asked how to not just keep the water quality from getting any worse, but to improve it based on today's levels. We found that by moving the dirt road of Eastside Drive uphill, we can actually reduce the sediment and vehicle discharge that contributes to poor lake quality from that area. It also lets us use that flat bed that the dirt road currently sits on to install an enormous area of publicly accessible shoreline. We can ecologically restore that area, provide a bike path similar to the greenbelt, and install picnic benches and other park features. All of that lessens the overwhelming congestion funneled entirely onto North Beach today. That high school friend of mine, the one that McCall feels closed to, he wants to go hike parts of the Crestline Trail with his family but there's no parking anywhere on endowment lands. He's got to park on top of bushes, hop an IDL gate, and hope his kids don't peter out before they even make it to Payette National Forest. It's all because this area is not managed as a park. I get it. Halting any growth serves constituents who already own property there. Growing Ponderosa Park, it serves constituents of the entire state of Idaho. Now, we hope you'll consider forming a task force of stakeholders under the Parks Department to continue this vital park planning work, all while the fiduciary exploration of an exchange continues separately. Our team brings exceptional talent to help make this reality. Our park planners helped design and lay out the plan for the Serengeti National Park, but they've also worked on several projects here in Idaho, including Harris Ranch. When we show people materials like this, park planning visions like this, they get excited about what might become here. When they hear we want to legally commit to it all ahead of time so that trust isn't even an issue, they like that feature even more. Last week's McCall City Council meeting highlighted how all of the uncontrolled camping trash and widespread human defecation that happens on a lot of these lands harms Little Payette Lake and Big Payette Lake's water quality just as much as it harms the value of the endowment lands there. We just assembled an incredible amount of data to help us all try to get this plan right. We flew aircraft overhead to LiDAR images of the forests; we collected feedback from scientists, the tribes, and environmental experts. We studied social media geo tagging to show where people hunt and hike even off trail. The aim of all of this was to protect both key access and key recreational corridors, key wildlife migration corridors, and areas that particularly affect water

quality. It seems that the tracts on Deinhard and behind Pilgrim's Cove are first on the auction block; frankly these offer very little investment value to us and we're extremely open to alternative uses. We want to work with the city on what they want to use these parcels for. For example, we might help them partner with the neighboring University of Idaho's Forestry School; but as another route these parcels do afford one way to help solve what we've heard from the community is an acute need for more modestly priced housing options as well as a community rec center. Modestly priced housing is a must for any tourism economy. Community rec centers have also been gems in the crowns of other mountain towns because they give residents after-school programs and visitors this incredible shared amenity. This proposal only reflects input and community engagement to date; it is a starting point in a very long process. We don't just want the community to have a say, we want them in the driver's seat of this process. The other side of that same coin is the Land Board can finally get out of this painful McCall business. Picking each year what to sell and what to hold is death by a thousand cuts for everyone. In the coming weeks, we'll submit a formal exchange application. We hope you'll prioritize its consideration in order to accomplish these shared goals of preservation, access, and purposeful economic opportunity for this area's future. We're eager to work with the state, the county, and the city on crafting the best plan possible. I think we'll all need to work collectively to get this right. At least, speaking for our side, we're here for the long term to help do that. Signing a \$107 million check to public schools while at the same time cutting the ribbon on the largest park in Idaho history is a way to transform a big hairy problem into an incredible legacy for all Idahoans. Thank you.

9. Payette Endowment Lands Strategy Update – Presented by Ryan Montoya, Bureau Chief-Real Estate Services

[Editor's note: Due to duration, the Discussion portion of this item is written in first-person format. This is not a verbatim transcript.]

Discussion:

Ryan Montoya: Good morning, Governor and members of the Land Board. My name is Ryan Montoya, Real Estate Services Bureau Chief for the Idaho Department of Lands. At the State Board of Land Commissioners' regular meeting on June 16, 2020, the Department was directed to prepare a plan for the management of endowment lands in the vicinity of the City of McCall. The Department has been preparing a conceptual draft of the Payette Endowment Lands Strategy to present to the Land Board – attached to the memo as Attachment 1 – which I will present here shortly. This strategy is only for informational purposes; the Department is not seeking Land Board action but feedback to further develop the strategy. I would like to thank Department staff and others who have assisted in preparing the strategy. The intention of the strategy is to describe the current situation affecting the endowment lands, explain what that means, identify potential action, and assess the next steps. This strategy does not preclude consideration of previous or new proposals.

Attachment 1 provides a concept of the Payette Endowment Lands Strategy. The concept is a result of internal guidance, historical plans, City of McCall comprehensive planning documents, other state endowment land plans addressing similar issues, as well as Idaho regulations and laws. The Department manages over 180,000 acres of land in the Payette Lakes area office. The majority of the acreage is classified and managed as timberland. Of that, over 5,000 acres sit within the City of McCall's area of impact. Outside of the McCall area of impact, the timberland

value is in line with its ability to produce revenue. These lands are not part of this planning effort, though opportunities may exist to increase revenue over time through improved management, secondary leasing activities, or even exchanges. The planning effort is focused on the endowment lands within the area of impact. In some cases, contiguous lands are likely to be evaluated as the plan is implemented. Within the area of impact, timber management may be more difficult due to conflicts with other uses and esthetics. Some parcels within the area of impact have estimated values that are not proportional to the revenue they can produce under current management. Those parcels could generate more revenue through different uses via leasing or through disposition. There is a need to evaluate the lands within and immediately adjacent to the area of impact to determine whether the lands should be held, moved to different asset classes, managed differently, or disposed of, to ensure management is aligned with the Department's constitutional mandate and Land Board direction. In addition to Article 9, Section 8 of the Idaho Constitution, which requires maximum long-term financial returns, endowment management must be consistent with Prudent Investor Act principles. The Department's mission statement also describes the need for prudent management to maximize revenue and the long-term financial returns. There is also Land Board direction that the Department must implement. The Asset Management Plan and the Statement of Investment Policy provide guidance for the Department regarding management of endowment assets. Both the Statement of Investment Policy and Asset Management Plan provide direction to identify transition lands so that efforts can be made to improve revenue generation from those lands in some manner. High property values and relatively low revenues are indicators of parcels that are transition lands. Timber management on the Payette Lakes Supervisory Area is guided by the Land Board approved Forest Asset Management Plan, or FAMP. The annual timber sale plan is also approved by the Land Board. Management objectives and assigned resources have been adjusted under the FAMP to improve financial performance in this area. Timberlands cannot be sold unless they are transitioned to a different asset class. However, they can be exchanged for other timberlands. Other leasing activities do occur on timberland assets and those activities can be significant additional revenue sources. Management of lands within the area of impact is complex. It requires long-term planning and evaluation which meets IDL's mandate and considers community and market context. The idea of the phased approach is to allow flexibility with a broad strategy. Phase 1: These are properties with high value/low revenue and significant potential for other uses and/or disposition. These properties are ready for action now, or nearly ready. Phase 2: These properties need more extensive analysis or interim actions to position them well for future action such as leasing or disposition. Phase 3: These parcels could be held for a long term by the endowments provided revenue objectives can be achieved. There may be other options such as land exchanges or new revenue sources for the Land Board to consider over time. This phase is the vast majority of the land within the area of impact.

Phase 1 properties are ready for some action. The goal of these properties is to transition them into producing revenue commensurate with their activity. This will be to close the financial gap between value and revenue. The Department will seek revenue-producing activities in these lands. The Land Board will have options to consider for these parcels, including leasing, exchange, and disposition. These are not going to be just taken to the auction block. This is a relatively small group of parcels where higher and better uses are likely available and where surrounding uses, that include having utilities and zoning, may suggest a different use than currently managed. White Pine Heights and Lick Creek are examples of Phase 1 properties. There are approximately 85 acres suitable for residential development or higher value leasing

opportunities. These properties sit adjacent to the City of McCall boundary, have utilities traversing the properties, and have full access. They are also zoned residential by the City of McCall. The Department could move quickly to analyze the options and bring a recommendation before the Land Board, including leasing opportunities. The Deinhard 80 property is another example of a Phase 1 property. There is potential for commercial and residential uses. It is actually identified in the City of McCall's comprehensive plan as the "State 80 concept." This parcel currently produces minimal revenue but has significant opportunities to increase revenue generation.

Phase 2 is a mid-term plan; 5-10 years is the estimated timeline. These are properties that are likely to meet the criteria for transition lands but may require additional planning, analysis, or action to find the optimal solution. One distinction between Phase 1 and Phase 2 properties is the potential question of use. Some of these properties are not within the areas of growth, or hold other value. There may be opportunities to add value with relatively minimal effort, for example, changes to zoning or platting. The Department sees an opportunity for facilitated discussions pertaining to Phase 2 lands. In Phase 2, it will be important to work with stakeholders and cooperators – of course staying within our mandate and maintaining the Land Board's authority – to find opportunities to enhance revenue while meeting some of the other demands of endowment lands in the area. The Department will seek ideas and applications for other uses of these lands. This parcel, known by the Department as Parcel G, is an example of a Phase 2 property. Again, this is a property that we consider having longer term, not Phase 1. It is full of opportunities and yet there are a number of challenges. Thorough analysis and planning for high value parcels like this is critical to achieving the Department's objectives under the guidance of the Land Board.

Phase 3 properties represent most of the land within and immediately adjacent to the area of impact – a lot of the north Payette Lakes lands. These lands could be held for a long term by the endowments, although increasing revenue over time will be important. The Land Board could have periodic decision points – 10-year intervals, for example – to determine if the strategy aligns with Land Board objectives. These lands present the opportunity to work with stakeholders to address issues, find opportunities, and develop solutions within the framework of the endowment land mandate and the authority of the Land Board. The Department sees opportunity for facilitated discussions with stakeholders pertaining to Phase 3 lands.

Implementation would be ongoing and concurrent across the three phases, subject to Department staffing and workload, as well as Land Board direction. It would not be sequential; there are things that can be done in each phase beginning early and continuing over time. Throughout the phases, the Department would expect to use expert consultants to provide analysis and recommendations or to validate the Department's work. The Land Board will have opportunities for decisions regarding the changes in use, changes in asset classes, and potential dispositions or any other activities that occur on those lands. Phase 1 is clearly a high priority; get those properties into action immediately. Phases 2 and 3 get started as soon as possible and continue for a longer time. The Department will work to provide the Land Board with recommendations to address the asset value and revenue gap in the short term and long term. Addressing the high priority Phase 1 properties early will enable further analysis and additional stakeholder engagement during the other phases. Where financial gaps can be closed, the endowments will be in a better position to hold the lands for the long term. The Department

plans to bring a draft of the written strategy to the December [2020] Land Board meeting. Stakeholder engagement and public involvement can begin and continue after the draft strategy is presented. We will also open up receipt of comments now after this meeting as well. The Department will seek Land Board approval in February or March of 2021, after we've received open comment. At that time, the Department would seek approval to resume leasing of any type.

Public Comment

[Editor's note: Due to duration, the Public Comment portion of this agenda, and Questions following, are written in first-person format. This is not a verbatim transcript. All public comment was provided via Zoom webinar.]

Craig Utter: Good morning, Governor and members of the Land Board. My name is Craig Utter, executive director of the Payette Land Trust [PLT]. Thank you for allowing public comment on this important issue. Located in McCall, PLT serves Adams, Idaho, Washington, and Valley counties. We've been working to balance conservation and development for over 25 years. In issues concerning endowment lands around Payette Lake, we have been slow and deliberate in constructing our position, always keeping the land at heart. Here are some quick stats about the lake which help frame our decisions. There's 22 miles of shoreline, 6 within Ponderosa State Park, and 16 along the outer shore. If you subtract the current privately-owned and developed shoreline and three stretches of road adjacent to the shore, we're down to 0.87 miles. That's 5.4% of the shoreline left. Of that 0.87 miles, there are two sections remaining: 0.56 commonly known as the wedding site or parcel G, and 0.31 on the east side just north of an existing private property. Sadly, these two areas constitute the last of the undisturbed public shoreline. PLT believes, in its current state, that the lake is out of balance. Any further development which is above a minimal impact will be detrimental. Simply put, the lake has done its fair share for the economic return of the area. Give the lake a break. We believe the remaining open space holds a higher value than development. We viewed both proposals through the lens of our Payette River Basin Initiative which defines an area of one-half mile around the lake as critical. Neither proposal elevated conservation of this resource within the zone; because of this PLT chose not to support either draft as presented. Under the current Trident plan the entirety of the lake's outer perimeter would have some form of development. The IDL strategy is not clear what the plan is for reclassifications of transitional lands, and we understand that this could lead to future development. Until it is clarified, we cannot support that draft either. This places both proposals in conflict with PLT's Payette River Basin Initiative. PLT is a solution-based organization and we believe there's a conservation option. As mentioned in the IDL presentation, easements could be that option. Uniqueness of a conservation easement allows for the harvesting of development and value from the land without compromising ecological integrity. With this in mind, PLT will propose working with the State Land Board to develop protocols for conservation easements on endowment land. In an area such as a lake, development does not have to be the only option for generating the required revenue set forth to the mission of the trust. Given a chance to purchase a conservation easement, PLT believes the environmental, recreational, outdoor, and tourism communities along with the general public can and will come together to convert our values into the monetary requirement necessary to meet the fiduciary duty of the Board. Thank you for allowing me this time to speak.

Darby Webb: Good morning, Governor Little and members of the Land Board. Thank you for allowing me to comment today. My name is Dr. Darby Webb and I am representing Payette Endowment Lands Alliance, otherwise known as PELA. Today I would like to comment on agenda items 8 and 9. Addressing item 8 – we have reviewed Trident Holdings latest proposal and remain firmly opposed to it for these reasons: number one, it represents a drastic break from how these lands have been managed since statehood. Number two, it is not reasonable or economically prudent to put control of such a large portion of the McCall area into the hands of one private and profit-seeking entity. Number three, it ignores the substantial work done by the McCall City Council, Valley County Commissioners, and the public that resulted in the 2018 McCall Area Comprehensive Plan. This plan should serve as primary guide for development and preservation. Addressing item 9 – PELA supports IDL's value of stewardship, as described on your website as, "making decisions and taking actions that positively affect long-term financial returns to the trust beneficiaries and enhance the health and resilience of Idaho's natural resources." Ecologic considerations are paramount. IDL and the Land Board have a public trust obligation for the endowment lands. The State also holds all waters, including Payette Lake, in trust for benefit of the public. Both must be considered. PELA advocates that the undeveloped lands around Payette Lake should be held in perpetuity as a living buffer for the lake. We agree with IDL's plan to take a disciplined and multi-phased approach while examining other opportunities to increase revenue. We have serious concerns about development in some areas, especially parcel G, due to the immediate and long-term damage to the lake. We also have concerns about the accounting from sales in the area where proceeds go directly to the Land Bank and are not included in revenue for the area. In closing, we advocate for the Land Board to reject the false allure of any proposals that appear to offer a quick fix. This is critical and decisions must not be rushed. PELA also asks the Land Board to continue to seek input and collaborate with local citizens, stakeholders, the City of McCall, and Valley County to identify and develop an acceptable plan for all parties. We applaud the Land Board for the current moratorium and respectfully request an extension of the moratorium for 12 additional months to give sufficient time to develop an excellent management plan. Thank you once again for allowing us to speak today.

Jonathan Oppenheimer: Thank you, Governor and members of the Land Board. For the record, my name is Jonathan Oppenheimer and I serve as the external relations director for the Idaho Conservation League. As I've testified before the Land Board previously, the Idaho Conservation League has worked since 1973 to protect the air you breathe, the water you drink, and the lands you love, and that includes many of the lands surrounding McCall and Payette Lake within Valley County and the region. First, I do want to appreciate the public comment opportunities that IDL and the Land Board have provided for this and the vision for continuing to involve Valley County, McCall, stakeholders in the region, as well as stakeholders around the state who hold this place near and dear to their hearts. We at the Idaho Conservation League, on behalf of our members and supporters, do strongly support an extension of the existing moratorium on any new leases or exchanges within the McCall City impact area. As we consider these issues we do recognize and certainly appreciate the constitutional situation that the State and the Land Board are in with regards to maximizing revenue, but also want to point out that both the constitution and the statutory direction give Land Board discretion to consider the best interest of the state and that includes things like watershed protection, that includes considering when and how to move forward with any potential exchanges, and again requires consideration of best interests. We would point out in particular that Article 9, Section 8 of the constitution does provide specific direction to the legislature to have the power to authorize the Land Board to exchange granted or acquired lands. We think this

is a very important element and something that deserves closer scrutiny especially in light of some of the statutory direction in state law that provides for consideration of the state's best interests and consideration of values for forestry, watershed protection, and recreation. That is in [Idaho Code] sections 58-138 and 58-132. We do feel that there is time needed to coordinate with stakeholders to identify alternatives to meet constitutional duty, address local concerns, and protect the public interests. As a result, we again encourage the Land Board to consider extending, for at least a period of 6 months, the moratorium to allow further discussion. We do also recognize and look forward to working with the Idaho Department of Lands on the land assessment as that moves forward. I appreciate the opportunity for public comment, and we do have some feedback that we plan to provide in written form. Again, we appreciate the opportunity and thank you for your consideration of these important issues.

Brian Brooks: Good morning, Governor and members of the Land Board, thanks for the opportunity to provide comments; I will return the favor by being brief. My name is Brian Brooks; I am the executive director of the Idaho Wildlife Federation, a coalition of 29 sportsmen and wildlife conservation organizations representing 45,000 affiliate members and individual supporters across the state. I'll preface my comments by recognizing that this conversation of what to do with the endowment lands near McCall, though dating back several years and again revived by Trident, has energized Valley County residents and Idahoans across the state. Since I've worked for the Federation in the last five years, no other land issue has mobilized so many people to take action like this one. Frankly, the response was surprising. We've had responses from over 7,000 people; we can't really keep up with it. We decided we would not comment on Trident's proposal specifically. The public comment published online, and the folks I am sure you've all heard from and will continue to hear from, have been thorough already. The proposal presents claims that present more questions but the real kicker for us is that we just heard that this is a community-driven collaborative effort; that's music to our ears until we read Trident's scenario 4 which threatens to sue if they don't get their way. True collaboration does not begin with one party placing a loaded gun on the table. We will focus on IDL's plan. We understand the language of the constitution, but we also know that it does not mandate massive land exchange or sale of its parcels. There is a way, there is always a way, to take our time and figure out a long-term solution that works for IDL's obligations and the true benefit of Idahoans who cherish this landscape and the things it provides. We're encouraged by IDL's favoring public involvement and stakeholder contribution for these purposes. We appreciate that IDL's plan is drastically different than Trident's proposal, but we can still see it leaving the door open down the road for major changes to these lands close to the lake. Again, we are encouraged by IDL's approach to be creative about solutions and we must consider where we are now. I was told by a colleague that it is quite sobering to draw lines on a map of this area to see what we have left to lose. There simply isn't that much left in the valley. I remember fishing in Gold Fork years ago; big trout in some pools up there. It's now fenced and there's barbed wire strung across the water. My first elk hunting days were above the Cabarton on Boise Cascade lands...no more hunting there. I used to live down Lick Creek Road; I've spent afternoons rambling up the hill with a shotgun looking for grouse and that's threatened too. My point is, depending on the decisions made by the Land Board and IDL, the fate of this landscape and the ability of Idahoans to enjoy it will change forever and irreversibly. We have a high potential to lose, but in the shadow of such a burden, there's also an opportunity to do it right. Considering the weights of this and how clearly important this place is to the character of Idaho, we support the request from the City of McCall and Valley County to extend the moratorium

for at least a 6-month period on new leases, auctions, or exchanges of any parcels to allow stakeholders and local governments to consider the economic, social, and ecologic impacts to the area. That's it for me; thank you.

Robert Looper: Good morning, Governor, members, commissioners, my name is Bob Looper; I am president and CEO of Brundage Mountain Resort. I am also president of the Pilgrim Cove Homeowner's Association. I've been working with Kristin Hoff Sinclair on pulling together a coalition of over 100 homeowners around or centrally located to the Pilgrim Cove area around the lake that are directly affected by the proposals that we see here today. First and foremost, I want to tell you that we are here to support the IDL efforts to meet the constitutional requirements regarding endowment lands while we conserve and protect those same lands for current and future generations. Secondly, we are here to oppose proposals such as what Trident has put forward which would swap out the Land Board and staff as members and managers of our future around here in McCall for a private entity and taking control of such a large property. We all know that the area around the lake here is very special and I would like to tell you it's because Brundage Mountain is there and it's a great ski resort, but we all know it's the crown jewel of Idaho which is Payette Lake; it is near and dear to our hearts. We do support the Payette River Basin Initiative and how that initiative would look to conserve properties around the lake, and we think that should be foremost and center to the consideration of IDL. There are some great things in the proposal from the State and staff here that we want to recognize. It's been 28 years since the last proposal that we've seen in 1992 from the State regarding the comprehensive land use plan. I would like to read to you a couple of things from that plan because they're very consistent with what the staff and Ryan has reported today. "The land use plan will provide a guide for the future development and use of approximately 32,000 acres of state endowment lands near McCall and Payette Lake. These lands are managed by the Department as authorized by the Land Board." I think that needs to be centric in any strategy going forward. I believe that's what you proposed. This was back 28 years ago in 1992. That was followed up by a process by which that plan was a dynamic plan; it would be reviewed and modified on a periodic basis to reflect change in thinking, change in plans, change in what's going on. As part of that plan, it was told that the needs and concerns of other agencies, the community of McCall, Valley County, and the citizens of the state of Idaho would be sought and considered before adoption of this plan. With that I leave you with three things we'd like you to consider. One is to reject the Trident proposal. Two, we would like to provide staff adequate time to develop a comprehensive land use plan with stakeholders' input from the community. Three, we would like you to explore what other states have done in the change of development; there's been a paradigm shift in modifying the constitution as it regards the state land and their directive. Thank you.

Sky Wilson: Good morning, Governor and members of the Board. My name is Sky Wilson and I am a 24-year-old owner of Ya-Hoo Corrals in McCall, Idaho. Ya-Hoo is a horseback trail riding operation located on endowment leased land in McCall. It has been located at the same location for over 30 years. While this is my second year of ownership, I have worked here for eight. The corrals have been a staple attraction that continues to steadily increase with visitors each year. Trail systems and bridges in this area utilized for biking, hiking, and horseback riding are maintained by Ya-Hoo and are irreplaceable. Recreational land like these are large job and revenue producers when looking at the long-term financial return. This is found in the July 2011 endowment land trust study done by Peter R. Crabtree, Ph.D. From the executive summary I quote, "As of the end of Fiscal Year 2010 it is estimated that Idaho endowment trust lands contributed \$133 million in annual economic activity

and supported nearly 2,000 jobs in the state of Idaho." The above contribution estimates over the direct, indirect, and deduced expenditures from all of these activities using county, multi-county, and state level data. I can take a look at the state constitution, Article 9, Section 8, line 4, it says that endowment lands shall secure the maximum long-term financial return. To me, securing the maximum long-term financial return is much different than what Attorney General Wasden was quoted for July 23rd in the Star News having said managing state lands to earn the most money possible. These lands, approximately 1,000 acres, that are needed to operate the corrals surrounding current homes will continue to drive up property value and taxes therefore bringing more money to the State as to fund its fiduciary responsibility. Speaking with the local timber sales administrator, I learned that an approximate 1,000 acres, dependent upon timber volume, will bring an estimated \$1.8 million to the State in timber sales. This is based on 50-year timberland rotation where logging would still be needed to maintain fire suppression leading up to Warren Wagon as a fuel break between lands and houses. In 2020, Ya-Hoo will have paid \$5,421 for base rent and gross receipts as well as \$8,300 in sales tax to the State in just a 3-month period. Taking a total of these two, \$13,760 and multiplying by 50 years brings to a total of \$688,000 paid to the State. In addition to the corrals, with this land being logged over that 50 years, revenue between the two comes to \$2.48 million. As timber sales and our numbers increase land properties values, they are all going to increase as well. Losing portions of endowment lands from around Payette Lake would be devastating monetarily to my livelihood and thousands of visitors to the area each year. What will happen to such a uniquely located business, with high value and high-volume operating tourism, and what will happen to me? Where will I go? What will happen to another viable small business in the already hard times in this great state of Idaho? Thank you for your time.

Jeff Abrams: Hello everyone, my name is Jeff Abrams; I am here representing the Idaho chapter of Backcountry Hunters and Anglers. I live in McCall. Public lands access has emerged as a priority issue for American hunters and anglers, big time, including those here in Idaho. BHA's membership believes that these endowment areas represent some of the best public recreation opportunities in our state. Thanks to IDL which has spent considerable time on this draft document, but it is not yet a finished product. We agree with the county commissioners, P & Z, and the City of McCall, and other citizen groups about the need to extend the moratorium allowing for full and detailed strategic documents and for all stakeholders to provide informed comments. It's far too premature to begin accepting applications from prospective suitors. Among the items BHA would encourage IDL to detail would be specific lands within each of these three phases of the plan; how do these lands physically relate to adjacent Payette forest lands and other public amenities, and access points for hunting and fishing. We encourage you to please use the guidance from the 2018 Forest Asset Management Plan to evaluate outside divestiture proposals, particularly in light of today's comments from the Governor on asset valuations. Another item would be to examine whether this strategic plan comports with local comp plans. We believe that the public's collective vision for much of these lands was not residential in nature. Finally, we're encouraging you to allow the emerging collaborative process with citizen organizations, the city, and Valley County officials to continue to work. Let us make suggestions that how better fulfill the Land Board's public trust obligations while at the same time ensuring maximum long-term yields. BHA looks forward to being involved and identifying possible funding opportunities, such as land and water conservation fund, or local levies such as those implemented in Boise and Blaine counties. The lineage of how the State assumed control of these endowments is different, but the case of Trident is really a prime example of why our members are committed to federal public lands being managed by federal agencies and oppose any transfer of

these resources into State holdings. The mountainside of evidence shows huge amount of interest from ordinary Idaho residents that love to recreate on state lands that ring this McCall area. This process should be reflective of that. These areas were not intended to be dumped into a database destined for a national listing service for big dollar investors from California and New York. Thank you for hearing the concerns of BHA's membership and for recognizing the impact of these decisions before the Land Board today.

Nick Harris: Governor Little and members of the Board, thank you for your time. My name is Nick Harris; my family has owned Burgdorf Hot Springs for nearly 100 years, and we understand stewardship. I have over 25 years of financial experience including 20 years on Wall Street. I also understand economics. Trident's claim is that the proposed land swap would improve the operating income of the land trust by \$2.5 million per year. A highly contentious claim, in fact I received data last night that indicates it could be a fraction of that number, but let's assume it's true. Nearly 50 pages of the proposal is a confusing series of arguments and calculations which ultimately allege the land swapped is worth \$107.3 million. That is more than two times the market value of timberland of similar acreage to the McCall parcel. They partially derived this value using a mathematical formula and the alleged \$2.5 million of annual income. They also claim additional benefit to the trust because future profits can be invested in stocks to potentially make even more money. In reality, the mid-point value for timberland is \$1,500 an acre. If Trident were to swap 30,000 acres of timberland, that swapped asset would be worth \$45 million, not \$107 million. That's like somebody trying to convince you to take \$500,000 for a house that's worth \$1 million by claiming that the \$500,000 is better because you can invest it and it will eventually make more than \$1 million. That's not a fair offer, nor a wise business decision for your household. You're better off taking the million. Monetary value of the land is worth what people will pay for it, period. If Trident sticks to their word, they would make roughly 91% of the 28,000 acres a park for public access; leaving 9% for them to develop. That's over 2,500 acres of highly valued development land. For \$45 million they would receive what looks to be 5,000 linear feet of immediately marketable lakefront property. The mid-point value on that alone is over \$80 million; that's enough to cover the cost of acquiring the swapped land, and a fair portion of the overall project cost. They would also acquire 2,500 other acres of prime development property with amazing views of Payette Lake and Lick Creek, all just a lift ride away from Brundage. Conservatively assuming \$400,000 per acre after development costs, that's \$1 billion worth of real estate – \$1.1 billion of real estate swapped for \$45 million worth of potential timberland. That's what it boils down to. Allegedly to improve our annual public school budget by less than 0.1%; that's not a good economic outcome from our citizens, not to mention the additional environmental stress on the lake. That's not the best deal for Idaho, our schools, Payette Lake, or the City of McCall, but it sounds like a great deal for Trident. \$1.1 billion of real estate swapped for \$45 million worth of potential timberland. That's not an investment decision a prudent investor would favor either. It's clear that a thoughtful, more favorable outcome for the land trust and the state of Idaho is highly achievable without Trident. We can do better than that. Thank you for your time.

Tyler Harris: Thank you. The Land Board has a difficult job. Entrusted with the care of some 2.5 million acres of Idaho public land, you all are tasked with maximizing the long-term financial returns for the trust beneficiaries. Flushing out the bones of this charge is the challenge, one exacerbated when conspiring parties attempt to syphon prime real estate out of the hands of Idahoans using a weaponized constitutional charge under the cover of a pandemic. The value of the

lands in question is clear and is subjective in the esthetic sense. Pristine marshes along the Payette Lake inlet, hillsides abutting the back of Brundage Mountain, with stunning views of the Lick Creek Mountains, and wooded shores of Little Payette Lake. The inlet in particular is a unique ecological zone home to moose, bald eagles, waterfowl, and bears in some of the densest concentration in the region. Any development in this area would irrevocably alter the fragile balance allowing these magnificent creatures to share space and resources with an increasing number of recreationalists, all just a few miles from McCall city limits. It is precisely this unique proximity to an outdoor town reliant on tourism that makes this tract so priceless. In fact, given its recreational importance, one could argue it meets criteria set forth in Idaho Code [section] 58-133 which states all state-owned lands classified as chiefly valuable for forest, reforestation, recreation, and watershed protection are reserved from sale and set aside as state forests. Many businesses stand to lose a great deal with any reduction in public access to this area and we've already heard from one. Despite claims to the contrary by Trident, once approved any promises of undeveloped public access areas are voluntary and unenforceable. The value of the lands in an objective, financial sense is somewhat less clear. However, my brother from whom we just heard, has conservatively estimated the portions along the shores of Payette Lake earmarked for development at more than \$1 billion at current real estate prices; this is just scratching the surface. From a purely transactional perspective, it would take an incredible amount of timberland to make this deal even remotely fair. But from the standpoint of a fourth generation McCall resident who has played in these woods his entire life, no amount of timberland can replace the territory at risk in this proposal. Maximizing the long-term financial return of this land requires its preservation. The true worth, especially as Idaho continues to grow, lies in ongoing enjoyment of accessible but wild parcels such as this. I encourage the Board to consider their obligation broadly, not simply in annual contributions to the funds, but rather in truly maximizing the long-term return for the state of Idaho. We can develop ways of monetizing public recreation if needed; we can sell land to the state or conservation groups, much more reliable partners if the aim is creation of a park. But once the land is gone there is no going back. Thank you for your time.

Dave Bingaman: Good morning, Mr. Governor and members of the Idaho Land Board; thank you for the opportunity to speak to you today. For the record, my name is Dave Bingaman, Valley County Commissioner. The Valley County Commissioners and the City of McCall City Council held a special joint meeting on November 10th to discuss the endowment lands in the McCall area prior to today's meeting. We understood that IDL would present their structure for the McCall area management plan and Trident Holdings would also give a presentation on their PreserveMcCall proposal. As local governments, we thought it was important to present our initial thoughts to the Land Board as they pertain to the future of the IDL endowment lands that are literally in our backyard. Payette Lake and the surrounding lands are as we've heard the crown jewel of the McCall area for many reasons. The area plays an important economic and environmental role for our jurisdictions. Recreational access and good land management is key and critical to the economy of our area. The city and county work together on the land use process to ensure high quality of life for its citizens, second homeowners, and visitors. Similarly, our planning also considers the importance of environmental protection of these precious resources. This area is the headwaters for the Payette River Watershed and the drinking water for the McCall community. The county and the city understand the purpose of endowment lands and the constitutional mandates associated with these lands. However, the decisions made on IDL lands will have significant impacts to our area. It is also known to be a very controversial topic based on the community feedback, with over 500 comments generated to the Land Board, Valley County, and the City of McCall during the last few months. As demonstrated by these

comments and comments submitted for today's meeting, when looking at a new management direction there is much to be concerned about. We only have one chance to do this right and once a decision is made, there is no going back. With this in mind, we are asking the Land Board to carefully consider this issue with input from our local governments. Therefore, we respectfully request the Land Board not make any decisions in the near future and extend the moratorium on new leases, auctions, and exchanges of any parcels for a period of at least 6 months. This time would allow us to review the McCall area management plan and other proposals thoroughly, evaluate all of the options, work with key stakeholders, and IDL could directly engage with our jurisdictions. We believe in a collaborative relationship between the City of McCall, Valley County, and the Idaho Department of Lands to hopefully meet the goals of IDL and the nearby communities. We appreciate your consideration for our request for an extension of the moratorium and a final decision on endowment lands around Payette Lake. We look forward to being a partner and working with you on thoughtful solutions that will continue to benefit our communities and future generations of Idahoans. Thank you.

For the record, Governor Little noted that Mr. Darren Howard had signed up to provide comment but exited the webinar prior to his turn to speak. Governor Little offered his sincere appreciation to everyone who provided comments for staying on schedule. The Governor opened the floor to questions from Land Board members.

Questions

Controller Woolf: Mr. Bingaman, are you representing yourself or all three county commissioners in your comments today?

Dave Bingaman: My comments were generated by the City Council and the Board of Commissioners; I was chosen to represent our comments today.

Controller Woolf: Thank you.

Governor Little: I've got a couple of comments or questions. As we saw the proposal from the State – I think I stated very early this is a big hairy piece of ground and we heard about that. I think one of the things we ought to talk about and ask the Department to come back to the Board with, is the pros and cons of the phased approach piecemeal versus if we do a larger one comprehensively. If something is done with the parcels that are close to the lake or Warren Wagon road, does that preclude another use going forward? I think that ought to be one of the things that I'd ask the Department to do. For the Board, and for the people on the call, we heard great passionate testimony about the uniqueness of this, but if you live in the Teton Basin, or in the Wood River Valley, or Priest Lake, or in Boise with the Boise foothills...and I readily admit I am biased to McCall because of, like the Williams family, my long affiliation, but anything that the Board and the Department does on this parcel, we need to think about what the ramifications are in that policy on the entirety of the portfolio that myself and my four fellow Land Board members have in that aspect. I have a question for Mr. Montoya, and maybe for the Board, about Phase 1. When I became a member of this august body – General Wasden can maybe help me with this – the Board had taken a policy that some of our commercial development and cabin sites were perhaps not in the best interest of the Board, and we got out of commercial real estate adjacent to the office in Boise and out of cabin sites at Priest Lake and McCall. Now that proposal looks like we're getting back into it. Why is the proposal in Phase 1 different than what we did to divest of commercial property and cabin sites?

Ryan Montoya: Thank you, Governor and members of the Land Board. We are currently working through the 2024 VAFO or cottage site disposition plan. Our intentions aren't to get back into the residential leasing business and we're not proposing that as part of the proposal today. Really what we're looking at is identifying that there are some of these areas within the McCall comprehensive plan that are identified as residential. Ultimately those are being identified as having a higher and better use as residential rather than having timberland value alone. When we are looking at the plan, we are identifying and bringing it forward to the Land Board to think about: there is residential in nature property that is within the path of growth. We're looking at that and asking ourselves what does that mean for us in order to produce revenue. We have gone through and identified certain parcels that look like they are potentially in a position for some sort of activity. That's what we're looking at working through further, is how do those specific properties look in one, two, three, four, five years from now depending on which phase they are in. If we're looking at some different activities that commercial and residential – we're talking about potentials for Deinhard for example, where we could see some commercial ground leasing. We're not advocating for having a building, but we're advocating for leasing the ground for commercial purposes. We're looking at those properties as having a value and use that is potentially residential or commercial based on the current zoning. However, all the lands that we have are open for lease. If someone wants to bring forward a lease for recreation, or as Alec was saying for park purposes, and they have the funding, they can do that. If they want some of those areas to be preserved as a lease for a park or some other commercial recreation purposes, we'll entertain those as well. We're trying to be flexible with the plan but identifying certain properties within the path of growth and identifying those as the Phase 1 properties. Governor, did that answer your question?

Governor Little: Yes, it did, but it kind of looks and walks like a duck if we're leasing it versus just selling it like we did. When the Board – and the Attorney General can correct me if I'm wrong – when the Board made the decision to get out of commercial real estate in the Boise area, and the cabin sites, it wasn't that we were going to continue to lease it, it was flat we're going to dispose of it. That's my question; being a landlord depends upon what degree of ownership we have of it versus just flat disposal.

Attorney General Wasden: Governor, that's a fairly complex question you're posing. It really requires kind of a historical viewpoint of why the Board made the decisions that it did, probably more than we have time for right now. You and I can have that conversation; we can have that conversation with the whole Board. In basic form is that with regard to the cottage sites, this Board proved over the course of about a century that it was incapable and unwilling to fulfill its fiduciary duty. That's the reason why as a prudent investor we divested ourselves of those properties, because we were not willing to fulfill our responsibilities. With regard to the commercial properties, actually in large measure, the same thing. We were unwilling to fulfill our fiduciary responsibility; that's the bottom line. That isn't the basis upon which we should be making those decisions; we should make that decision based upon our willingness to fulfill that constitutional duty. I am glad to have that conversation with you.

Governor Little: Next month we will see something else with this proposal, and that ought to be one of the questions: generally, where is the line? And of course the Board has to reclassify assets, we have to look at each one specifically, but maybe the Department could work with the staff to do a little history about where that line is.

Controller Woolf: I want to thank all of those that participated: members from Trident, from our Department of Lands, all of our public stakeholders that commented and bringing their points and values. It helps us as Land Board members as we go forward and work with the Department in making those decisions; we appreciate your feedback and your comments today.

Dustin Miller: I want to echo that. I appreciate the discussion today on these two informational agenda items. In particular, being the Director of the Department I want to let Ryan know that we appreciate his efforts of the real estate bureau and leasing bureau to work through this complicated issue for us and develop the strategy. I appreciate his efforts and the work put into this by him in so many others in real estate as well as our trust lands division.

Attorney General Wasden: First I want to give compliments where compliments are due. I appreciate the Department's work in presenting a plan. I also thank all of the participants, Trident, and the ten others who have provided input; it is very valuable to us. I also wanted to compliment the Department on the context of this Zoom meeting. Well done; it's worked well. You have done a great job in making this come off basically without a hitch.

Executive Session

None

There being no further business before the Land Board, at 11:19 a.m. a motion to adjourn was made by Attorney General Wasden. Controller Woolf seconded the motion. The motion carried on a vote of 5-0.

IDAHO DEPARTMENT OF LANDS



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October 22, 2020

Idaho State Board of Land Commissioners

Brad Little, Governor

Lawrence E. Denney, Secretary of State

Lawrence G. Wasden, Attorney General

Brandon D. Woolf, State Controller

Sherri Ybarra, Superintendent of Public Instruction

Dustin T. Miller, Director & Secretary to the Board

RE: Request for Contested Case Regarding Proposed Lease No. M700086

Dear Members of the Idaho Board of Land Commissioners:

The Idaho Conservation League (ICL) hereby respectfully requests that the Land Board include consideration of IDL Communication Site Lease M700086, proposed to be issued to New Cingular Wireless, at its upcoming regular meeting on November 17, 2020. We also hereby request that the Land Board initiate a contested case with regards to this lease.

IDL Communications Site Lease M700086 would approve a communications site lease for a 195-foot tall cellular tower proposed by AT&T Mobility Corporation, Inc. as manager of New Cingular Wireless PCS, LLC.

ICL remains concerned that the location of the proposed tower will result in significant effects to resources of the surrounding Sawtooth National Recreation Area (SNRA). In particular, as we have previously commented, the proposed 195-foot tall tower, which is three times taller than surrounding trees, is in direct conflict with the core values protected by the enabling legislation of the SNRA. The SNRA was established by Congress to assure the preservation of the area's natural, scenic, historic, pastoral, and fish and wildlife values, and to provide for the enhancement of its recreational values. The proposed cell tower, which is proposed to be located adjacent to the Sawtooth Scenic Byway between the highway and the scenic forests and mountain peaks, is clearly contrary to those values.

Furthermore, CusterTel's analysis indicates that "a taller tower on the property does not provide materially better coverage" due to the topography of the area (CusterTel comment letter to IDL). We also continue to have serious concerns that the proposed tower could include some form of

lighting in the future. The project site is squarely in the middle of the Central Idaho Dark Sky Reserve (CIDSR), designated by the International Dark Sky Association in 2017. The CIDSR is the only such designation in the U.S., one of only 12 such reserves in the world, and was awarded “Gold Tier” status - the highest ranking for night sky quality. ICL was instrumental in establishing the CIDSR and we continue to work to protect and preserve the dark sky values of the area.

The Land Board previously heard comments on the proposed cellular tower lease from the lease applicant, ICL, the Mayor of Stanley, and other concerned residents and public stakeholders at its regular meeting on July 21, 2020. Although ICL and other commenters requested that the Land Board direct the Idaho Department of Lands (IDL) to pursue negotiations with the applicant and CusterTel over alternative arrangements that would minimize impacts of the proposed cellular tower, the Land Board concluded the July 21 meeting without taking any action or providing any direction to IDL staff.

Absent such Land Board direction, it appears that IDL staff have not sought to engage with CusterTel or the applicant about alternative possible arrangements, and instead are moving forward to finalize the lease as proposed by the applicant.

ICL is very concerned that an opportunity is being missed to develop an alternative approach that meets all interests and legal mandates, such as co-locating the AT&T cellular facility with the existing CusterTel site on state lands, and/or other site locations.

ICL seeks to ensure that the Land Board is fully informed about potential impacts of the proposed lease and alternatives, and to avoid possible litigation that may result if the proposed IDL lease is approved in its current form.

To that end, ICL requests that the Land Board address this issue at the November 17, 2020 regular meeting and direct IDL to conduct a contested case hearing over the requested lease.

As defined in the Idaho Administrative Procedure Act (“APA”), a “contested case” is defined as any “proceeding by an agency . . . that may result in the issuance of an order.” *See* I.C. § 67-5240. *See also* IDAPA 20.01.01.002.4 (Land Board APA rules, defining a contested case as any “proceeding which results in the issuance of an order”); *Laughy v. Idaho Transportation Department*, 149 Idaho 867, 243 P.3d 1055 (Idaho 2010) (addressing agency duty to conduct contested case hearings over requested agency approvals).

Directly relevant here is Idaho Code 58-122, which provides that the Land Board may “in its discretion, determine[] that a contested case hearing would be of assistance to the board in the

exercise of its duties and authorities.” *See also* Idaho Code 54-104(4) (vesting Land Board with power to “review upon appeal all decisions of the director of the department of lands in contested matters”). In addition, Idaho Code 58-132 specifically acknowledges the importance of cooperating with the federal government in administering state lands, and directs that the Land Board “determine the best use or uses, viewed from the standpoint of general welfare, to be made of state land now owned or hereafter acquired. . . .” *See* I.C. 58-132.

Given the significant concerns already raised by ICL and many others regarding the proposed cellular tower, and its impacts on visual and other values that are cherished and protected within the SNRA, it is appropriate for the Land Board to direct IDL to conduct a contested case hearing pursuant to Idaho Code 58-122, the Idaho APA, and implementing Land Board regulations in this matter.

In conclusion, ICL respectfully asks that the Land Board (a) address the proposed lease at its November 2020 meeting, and (b) direct IDL to conduct a contested case hearing over the proposed lease before rendering any final decision.

Respectfully submitted,



Jonathan Oppenheimer
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October 24, 2020

Idaho State Board of Land Commissioners
c/o Idaho Department of Lands
300 North 6th Street, Suite 103
PO Box 83720

Idaho State Board of Land Commissioners:

Brad Little, Governor
Lawrence G. Wasden, Attorney General
Sherri Ybarra, Superintendent of Public Instruction

Lawrence E. Denney, Secretary of State
Brandon D. Woolf, State Controller
Dustin T. Miller, Director & Secretary to the Board

Re: IDL Lease #M700086

Dear Members of the Board of Land Commissioners,

The Sawtooth Interpretive and Historical Association (SIHA)] respectfully requests that the Land Board include consideration of IDL Lease #M700086 that would approve a communications site lease for a 195-foot tall cellular tower proposed by AT&T Mobility Corporation, Inc. as manager of New Cingular Wireless PCS, LLC. as part of the First Responder network at its upcoming regular meeting on November 17, 2020.

SIHA has submitted previous letters of opposition to this cell tower lease due to the inability of AT&T under the direction of the Office of Emergency Management to negotiate in good faith with CusterTel for better solutions. Many other organizations, city, county, concerned citizens and search and rescue officials also share these concerns and presented oral testimony before the Land Board at its regular meeting on July 21, 2020. The Land Board concluded the July 21 meeting without taking any action or providing any direction to IDL staff for further investigation of public concerns. Instead, the lease is moving forward as proposed by the applicant as the successful bidder thereby negating any responsibility to balance income from state endowment lands to prudent and stewardship responsibilities of our public lands.

Alternatives to meet and exceed the cellular footprint throughout the entire Sawtooth valley and provide better emergency response coverage versus the lease proposal by the applicant are achievable while upholding the values of the Sawtooth National Recreation Area (SNRA) in keeping with the preservation of the natural and scenic landscape and viewshed as an international scenic, historic and recreational jewel.

SIHA is very concerned that an opportunity is being missed to develop an approach that meets all interests and legal mandates, such as an alternative of co-locating the ATT cellular facility with the existing CusterTel site on state lands, and/or other site locations.

SIHA seeks to ensure that the Land Board is fully informed about potential impacts of the proposed lease and alternatives, and to avoid possible litigation that may result if the proposed IDL lease is approved in current form.

BOARD OF DIRECTORS: Stewart Wilder, *President*; Terry Clark, *Vice President*; Ed Waldapfel, *Secretary*; Liesl Scherthanner, *Treasurer*; Ed Cannady; Erica Cole; Gary Gadwa; Bernice Hartz; Ken Hartz; Paul Hill; Jenny MacNichol; Roland Miller; Becky Obletz; and, Caitlin Straubinger | **STAFF:** Lin Gray, *Executive Director*; Laurii Gadwa, *Outlet Manager*
DIRECTOR EMERITUS: Art Selin

To that end, SIHA requests that the Land Board address this issue at the November 17, 2020 regular meeting, and direct IDL to conduct a contested case hearing over the requested lease.

As defined in the Idaho Administrative Procedure Act (“APA”), a “contested case” is defined as any “proceeding by an agency . . . that may result in the issuance of an order.” See I.C. § 67-5240. See also IDAPA 20.01.01.002.4 (Land Board APA rules, defining contested case as any. “proceeding which results in the issuance of an order”); *Laughy v. Idaho Transportation Department*, 149 Idaho 867, 243 P.3d 1055 (Idaho 2010) (addressing agency duty to conduct contested case hearings over requested agency approvals).

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Given the significant concerns already raised by SIHA and many others regarding the proposed cellular tower and its impacts on visual and other values that are cherished and protected within the SNRA, it is appropriate for the Land Board to direct IDL here to conduct a contested case hearing pursuant to Idaho Code 58-122, the Idaho APA, and implementing Land Board regulations in this matter.

In conclusion, the Sawtooth Interpretive and Historical Association respectfully asks that the Land Board (a) address the proposed lease at its November 2020 meeting, and (b) direct IDL to conduct a contested case hearing over the proposed lease before rendering any final decision.

Respectfully submitted,

/s/ Stewart Wilder

W. Stewart Wilder
President

/s/ Lin Gray

Lin Gray
Executive Director

STATE BOARD OF LAND COMMISSIONERS

December 15, 2020

Information Agenda

Subject

Payette Endowment Lands Strategy – Written Plan Update

Background

At the State Board of Land Commissioners' (Land Board) Regular Meeting on June 16, 2020, the Idaho Department of Lands (Department) was directed to prepare a plan for the management of endowment lands in the vicinity of the City of McCall in Valley County, Idaho. At the November 17, 2020 Land Board meeting, the Department presented a draft and outline of the Payette Endowment Land Strategy (PELS). In that presentation, the Department explained that it would present a written draft of the PELS at the December 15, 2020 meeting.

Discussion

The PELS is a management plan for the 5,478 acres of endowment land within the City of McCall's Area of Impact (AOI). The PELS outlines how the Department will implement endowment trust land management within the AOI over the next 20 years. The remainder of the endowment trust land in Valley County lying outside the AOI will be managed through other policies adopted by the Land Board including the Forest Asset Management Plan, Statement of Investment Policy, Strategic Reinvestment Plan, and Asset Management Plan.

The PELS seeks to guide land management decisions within the AOI as growth patterns influence the Department's ability to implement traditional land management and take advantage of opportunities for higher revenue generation. The PELS explores strategies across short- (Tier 1), mid- (Tier 2), and long-term (Tier 3/4) timeframes on certain properties located within the AOI. Specifically, the PELS examines approaches to transition lands to higher and better uses where land values are significantly higher than traditional asset classifications, and revenue generation is either not commensurate with values or is impaired by surrounding urbanized uses.

The PELS is intended to be an adaptive management plan that will be reviewed and updated regularly as community development, land use patterns, and market trends develop over time. The PELS will also be evaluated for alignment and consistency with the Land Board's Plans as necessary.

Attachment 1 is a written draft of the Payette Endowment Lands Strategy. The Department will provide time for public comment and additional information gathering prior to presenting a final plan to the Land Board, with the following anticipated timeline:

- December 15, 2020 – Present draft PELS to the Land Board
- January and February 2021 – Commenting and information gathering
- March 2021 – Department finalization of PELS and final presentation to Land Board

The Department will be posting the written draft PELS on its website and providing a method for public comment.

Attachments

1. Payette Endowment Lands Strategy – Written Draft



Idaho Department of Lands

Payette Endowment Land Strategy



December 2020

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Executive Summary

The Payette Endowment Land Strategy ("PELS" or "Plan") is a management plan for the 5,478 acres of endowment land surrounding and within the City of McCall ("McCall") in Valley County, Idaho. The PELS outlines how the Idaho Department of Lands (Department) will implement management of endowment trust land within the McCall's Area of Impact ("Area of Impact") over the next 20 years. The remainder of the endowment trust land outside of the Area of Impact will be managed through other policies adopted by the Idaho State Board of Land Commissioners including the Forest Asset Management Plan, Statement of Investment Policy, Strategic Reinvestment Plan, and Asset Management Plan.

Historically, the Department has implemented property or land asset specific plans based on specific asset classifications (e.g. Cottage Site Disposition Plan). Unlike these asset specific plans, the PELS identifies the risks and opportunities of maximizing financial returns and management efficiencies for endowment trust lands within the geographic scope of a growing community. The PELS seeks to guide land management decisions within the Area of Impact as growth patterns influence the Department's ability to implement traditional land management and take advantage of opportunities for higher revenue generation.

This Plan explores strategies across short (Tier 1), mid (Tier 2), and long-term (Tier 3/4) timeframes on certain properties located within the Area of Impact. Specifically, the Plan examines approaches to transition lands to higher and better uses where land values are significantly higher than traditional asset classifications and revenue generation is either not commensurate with values or is impaired by surrounding urbanized uses.

The PELS is intended to be an adaptive management plan that will be reviewed and updated regularly as community development, land use patterns, and market trends develop over time. The PELS will also be evaluated for alignment and consistency with the Land Board's Plans as necessary.

I. Introduction

Mission and Management Directives of State Endowment Trust Lands

Upon statehood in 1890, Idaho received a total of 3,650,000 acres of land in trust from the federal government as a means for generating revenue for specific public services and institutions, or "endowment beneficiaries." The State Constitution establishes the State Land Board of Land Commissioners ("Land Board") as the trustee over the assets of the nine endowments. Through Idaho Code § 57-718, the Land Board created the Idaho Department of Lands ("Department") to manage the land assets of the trust "in such manner as will secure the maximum long-term financial return".

Over time, the Department has leased, sold, acquired and exchanged endowment trust lands. Today, the Department manages 2,500,000 acres of state endowment trust land prudently, efficiently, and with accountability to the beneficiaries. To achieve this, the Department has established general operating expectations including:

- Preserving land holdings where leasing will generate a competitive rate of return.
- Seeking to enhance land values before considering sale or exchange of underperforming land assets.
- Acquiring lands, structures, and resources when the acquisition will add value or diversification to the overall trust portfolio.
- Selling lands, structures, and resources when the outcome adds value to the overall trust portfolio.

The land management strategies of the Land Board and the Department are guided first by the Idaho Constitution and the requirement to "secure the maximum long-term financial return to the institution to which granted..." This guiding principle is further detailed in Land Board approved management strategies including the Statement of Investment Policy ("Policy"), which establishes a basis for evaluating investment and management results, and a relevant time horizon for which assets will be managed. The Department's specific management strategies are further defined by the Asset Management Plan ("AMP"), which among other things, provides staff guidance on decision making across land asset classes.

Purpose and Need

The original federal land grants in Idaho were based on the land allocation of the Public Lands Survey System ("PLSS"). The federal grant of endowment trust land to the state of sections 16 and 36 inherently created challenges associated with non-contiguous land ownership patterns. In other words, the state

was granted endowment trust lands in a "checkerboard" pattern across the state. As a result, the Department has worked, through time, to consolidate the lands into large blocks.¹

Trust land assets are classified according to their "primary" use and while other uses may be allowed, the primary use drives much of the management decisions for those lands. Of the approximate 2,500,000 acres of endowment trust land managed by the Department, there are two major asset classes, rangeland and timberland (1,758,213 acres and 1,030,498 acres, respectively). Endowment trust land management does not occur in isolation.

Many endowment trust lands face management challenges where the primary use classification is in conflict or in some way impeded by surrounding uses and ownership (for example, timber management within city boundaries). Historically, this conflict was minimal due to limited development and growth. However, over the last few decades, Idaho has grown and areas once primarily used, valued, and assessed as timberlands or grazing are now in the highest growth areas in the state. The result is endowment trust lands in areas surrounded by and intermingled with residential and commercial development. This creates a situation where the land is classified by the Department as its historical use, which does not align with the current market value, use, and/or designation. The overarching effect is revenue that is not commensurate with the Department's "primary" use of that asset.

As defined by the Asset Management Plan, "lands within traditional asset classes already owned by the Endowment may become suitable for a higher and better use than the current asset classification. Often these properties exhibit high property values and low annual revenues (underperforming) and may be encroached upon by urban development." The Department considers these lands as "transition lands". Transition lands require broader planning in the context of surrounding uses and market conditions but will be specific to individual sites. As market and regional conditions are not static, it is necessary to develop transition strategies that provide for long-term time horizons.

Therefore, the following plan considers both the current and future trends of the McCall area and provides a suite of strategies to maximize revenue generation over a 20-year time horizon.² The following are the goals of the PELs:

1. Describe the current situation of endowment trust land in the vicinity of McCall.
2. Identify endowment trust lands characterized as "transition lands".
3. Determine the timeframe/tier the property falls within for next steps.

¹ The endowment trust land in this plan was consolidated through the lieu land selection process and numerous land exchanges.

² The Department considered developing the Payette Endowment Land Strategy as a comprehensive plan. It even reviewed and inquired into Montana's Department of Natural Resources' study on Whitefish, MT as a comparison for a comprehensive plan. However, due to the time, costs, and rapidly changing market conditions in McCall, it was determined that a plan that evaluated specific individual sites would be applicable and accurate. Additionally, the Department was concerned that a comprehensive plan could limit the flexibility and accuracy of specific property conditions at a given time, for example, property values.

4. Describe the next steps the Department will take to transition the lands to align with Land Board direction and constitutional requirements.

II. Planning Area

Payette Lakes Area Management

The endowment trust lands identified in this Plan are managed by the Payette Lakes Supervisory Area ("Supervisory Area"). The Supervisory Area is responsible for the management of 183,411 acres of endowment trust land within Adams, Washington, Valley, Idaho, and Gem counties. The Supervisory Area manages 105,229 timbered acres with the remaining 78,182 acres classified as non-timber, primarily rangeland.

City of McCall and Valley County Planning

McCall is a mountain community located along the shores of Payette Lake in Valley County. McCall has a long history as a destination/resort town surrounded by the West Central Mountains, Payette National Forest, and close proximity to two major ski resorts. These outdoor amenities and relative proximity to the population center of Boise, have made McCall a recreational destination, which is both a major driver of its economy and land development pattern. As such, much of the community's comprehensive plan is focused on promoting land-uses that support the community and preserve the surrounding natural amenities, particularly view sheds, open space, and recreational opportunities.

While McCall is the jurisdiction for its city limits, it also has the authority over the Area of Impact which is outside of the city boundary. Valley County's population growth and increase in recreational tourism has brought with it changes in use and development patterns as well as priorities of community values. These changes affect the use of endowment lands.

Endowment trust lands located adjacent to or in proximity to urban development, exhibit characteristics of high market value relative to traditional revenue generation (timber management). In addition, adjacent uses such as residential or commercial development may inhibit or prevent the maximum revenue generation of a property due to limitations of certain uses or opposition to such uses as intensive timber management. For these reasons, there is a continuing need to evaluate and discuss future endowment lands within and immediately outside of the City of McCall's city limits and area of impact.

Land use in the region of focus is guided by the Valley County Comprehensive Plan and City of McCall Comprehensive Plan, both updated in 2018. Both plans serve as guiding documents for the McCall and Valley County's future development. Idaho law requires that cities and counties designate areas of city impact as a basis for planning to anticipate future growth needs. The management of endowment trust lands in the vicinity of the City of McCall is one example of conflicting uses and ownership.

Payette Endowment Lands Planning Area

There are a total of 5,478 acres of State Endowment Lands within the Area of Impact (Figure 1). While state endowment trust lands are not subject to local zoning ordinances, lands within local jurisdictions are likely to be impacted by local land-use decisions and decisions on adjacent private lands. The majority of endowment trust lands within the planning area are classified as timberland. Residential and commercial endowment trust lands make up the small portion of remaining lands (0.94%). Although timber management is the primary management activity on the majority of these endowment trust lands, secondary leasing activities occur on 3,668 acres, which include communications, grazing, minerals, residential, and other activities.

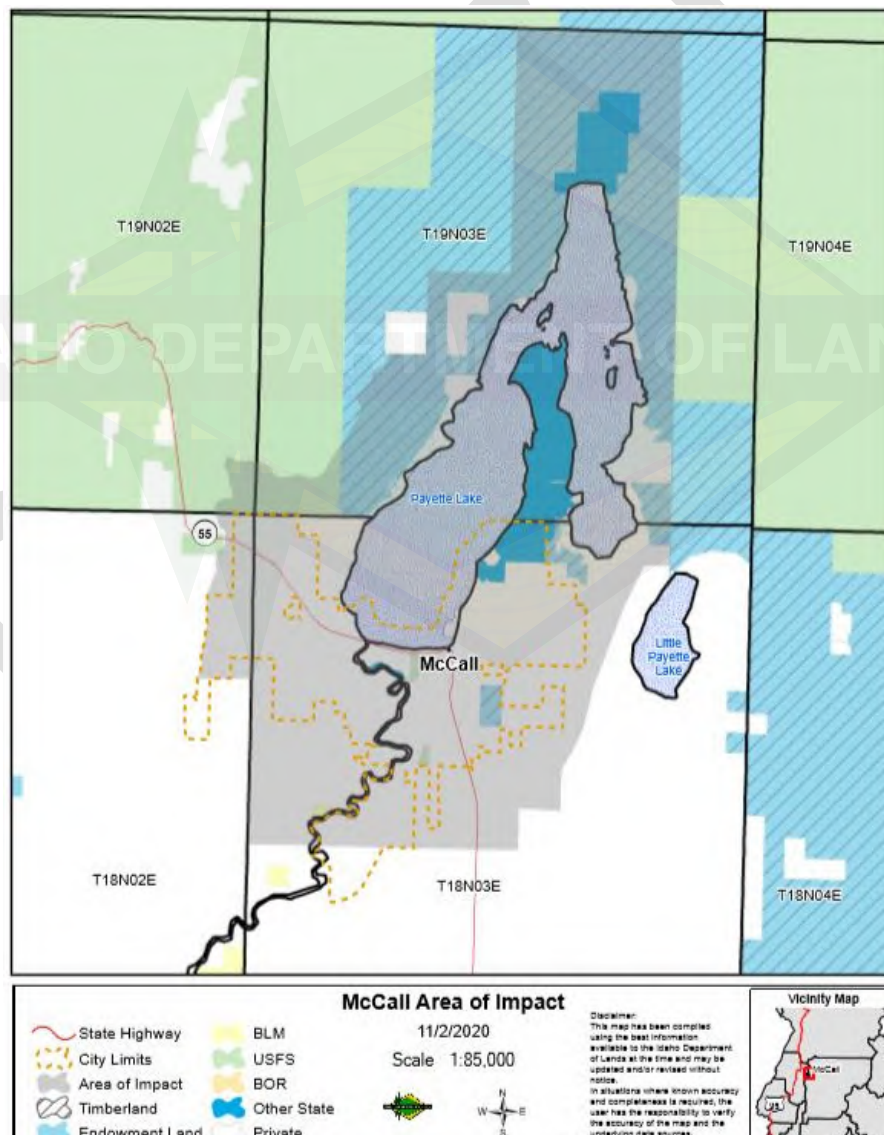


Figure 1.. Payette Endowment Land Strategy Planning Area

III. Land Asset Management

Through the direction of the Land Board, the Department manages endowment land assets to capture full potential economic value for the beneficiaries. As outlined in the AMP, the general operating expectations by which endowment lands are managed include but are not limited to the following:

- Preserving land holdings where leasing will generate a competitive rate of return.
- Seeking to enhance land values before considering sale or exchange of underperforming land assets.
- Acquiring lands and resources within traditional asset classes when the acquisition will add value or diversification to the overall trust portfolio.
- Selling lands, structures, and resources when the outcome adds value to the overall trust portfolio.
- Exchanging lands and resources when the exchange will add value or diversification to the overall trust portfolio.

Timber Management

Timberland assets are guided by the Forest Asset Management Plan ("FAMP"), which provides the tactical and strategic direction for timber management over a 5 to 10-year time horizon. The FAMP also provides a planning structure by which each supervisory area develops a specific localized plan. The Payette Lakes FAMP, which was finalized in 2019 considered nine alternative strategies to explore the costs and benefits of various management approaches and limitations. The preferred management strategy for the Payette Lakes region focuses on reducing standing volume at a reasonable pace by implementing four strategies including:

- Reduction of large diameter volume
- Reduction of over mature volume
- Harvest volume levels with low risk of age class gaps and near future volume reduction
- Allow increase in growth resulting in more resilient, healthy forests

Land Leasing

Pursuant to Article IX Section 8 of the Idaho Constitution, the Land Board is required to "provide for the location, protection, sale or rental of all the lands heretofore" and with specific regard to leasing activities "contract with private entities to operate business activities upon the land trust assets." One of the primary strategies by which the Land Board and the Department generate revenues on endowment lands is through leasing contracts. Leasing activities are allowed on all endowment lands so long as they generate a competitive rate of return, do not degrade the land asset, and do not adversely affect the primary use of the land asset.

The following leasing types are those currently and most commonly occurring in the planning area. For each of the major leasing types, the AMP identifies specific strategies to achieve the over-all management goals identified therein.

Residential

- For the duration of the cottage site leasing program, develop and manage residential leases that appropriately compensate the endowments.³

Commercial

- Develop and manage commercial leases that achieve a rate of return consistent with objectives in the Investment Policy Statement.
- Ensure lease terms and conditions comport with industry standards.

Grazing

- Develop and manage long-term grazing leases that achieve a rate of return consistent with the objectives in the Investment Policy Statement.
- Minimize contractual and environmental risks.

Minerals

- Lease lands for potential mineral products that capitalize on market demands.
- Minimize contractual and environmental risks associated with extractive industries.

Table 1. Current Leasing Activity in the McCall AOI (As of December 2020)

Lease Activity	Number of Leases	Acres Leased
Commercial- Communications	1	4
Grazing	3	2,090
Minerals	4	400
Miscellaneous	6	1,145
Residential	20	10

Disposition

From the initial granting of state endowment lands, disposition has been considered a potential management strategy towards achieving the Constitutional mandate as described in Article IX Section 4 of the Idaho Constitution. In accordance with the AMP, disposition of endowment lands should be considered when the result adds value to the overall trust portfolio, either through reinvestment or reduction of risk. The AMP further identifies specific management objectives for disposition including:

- Increase long-term financial return at a prudent level of risk.

³ (The Land Board approved Voluntary Auction for Ownership properties are not included in this strategy, as they have already been approved for disposition under another plan.)

- Reduce cost through improved management efficiency.
- Adjust land holdings based on current and projected market conditions to capture value in excess of target returns.
- Evaluate and prioritize proposed transactions.

Residential

- Execute the approved Cottage Site Plan to unify the estate in a business savvy manner to maximize return to the trust beneficiaries.

Land Exchange

The land asset portion of the endowment trust has been maintained to generate revenues for the beneficiaries as well as reduce over-all risk by providing diversification from the financial assets portion of the trust portfolio. Management risk associated with the land asset is due in part to the allocation of endowment lands when first granted. While efficient for distribution of the large amount of land to western states, the PLSS system created a "checkerboard" pattern of ownership, with endowment lands being intermingled with both private and federal lands. As stated in the AMP a primary management philosophy is to "seek to reposition parcels to reduce risk, lower management costs". A function by which repositioning holdings while maintaining the land asset is through the exchange of lands with both private owners and other public land management agencies.

While land exchanges may be proposed by private landowners and public agencies, the outcome of the exchange must meet specific criteria set out by the Land Board including, but not limited to:

- **Equal or greater value.** Land to be acquired by the state must be at least as valuable as the state land being exchanged
- **Consolidation of state lands.** Consideration will be given to a land exchange that results in the consolidation of existing state lands
- **Access.** Consideration will be given to a land exchange whose acquisition will improve access to existing state lands.
- **Equal or greater income to the trust.** Consideration will be given to a land exchange that results in the state receiving equal or greater income for the Endowments.

IV. Transition Lands

As stated in the AMP, "[I]and asset classifications can be changed to meet changing markets or to capitalize on emerging alternative opportunities." The Land Board approved Policy and the AMP direct the Department to identify potential lands that should be classified as transition lands. The Department has identified certain properties as transitional and the respective next steps based on a "Tier" designation.

Lands within the Tier I-III designation have been identified for transition due to their underperformance in terms of revenue generation relative to their estimated land value. Much of this financial gap is caused by higher land values associated with urban development and sprawl rather than traditional asset classifications such as timberland. In other instances, properties may have commercial and residential classifications, but little to no current revenue generating activities occur on these properties. As a result, the lands within the planning area generate approximately \$257,535 annually and have an estimated total land value of \$53,080,952 or .49% return on value. Thus, using a 4% return rate as a benchmark, there is a gap of approximately \$1,888,703 in annual revenue.

Again, the revenue gap is based on estimated values of the land in the impact area that has increased in value due to the market. The land, which is predominantly timberland, has value that is not commensurate with the Department's classification of timberland. The result is the need to increase revenue on the high value lands. Increasing revenue can be accomplished through leasing or repositioning of the assets into new revenue producing assets or disposition.

Implementation of this Plan will impact approximately 373 acres or 6.9% of the endowment lands within the Area of Impact while addressing 88.0% of the land value held by the endowments within the Area of Impact over the next 20 years.

The following outlines those parcels within the planning area by their transition tier designation. Each profile provides a snapshot of the parcel, its current use and revenue generation, as well as the zoning and future land-use designations identified by McCall as part of its comprehensive planning process. Although endowment trust lands are not subject to these zoning designations, it does provide the reader an understanding of current and potential surrounding land-uses in which the parcel is located. More in-depth descriptions and information regarding the transition potential for each parcel can be found in Appendix A.

Tier I – Planned Transition

Lands identified in the Tier I classification are those that have a high probability of transitioning within the next 1-5 years. Such parcels typically have a high land value relative to current revenue generation, typical of lands within or adjacent to urbanized areas. Tier I lands also have features necessary for the facilitation of transitions to higher and better uses, such as on-site utilities, road frontage, platted, annexed within city limits, and within sewer and water capacities. Such characteristics allow a parcel to be transitioned in the near future, which means they are able to maximize favorable market conditions.

Management strategies for Tier I parcels include:

- Work with third party advisor to develop preliminary site scenario
- Perform preliminary valuation of property
- Work with third party brokers to market property within appropriate markets for leasing or sale of property.

Tier II – Probable Transition

Lands classified as Tier II are similar to Tier I in that urban growth has influenced either current management or is likely to in the near future. These changes are reflected in the disparate land value to current revenue generation, similar to Tier I. Also similar to Tier I properties, Tier II lands may possess some attributes favorable to transition, such as being located within or adjacent to city limits, onsite or adjacent utilities, and access. However, unlike Tier I parcels, additional planning processes are necessary to move forward with a transition. Such steps may include final platting or sewer and water capacity determination. Also, like Tier I parcels, the Tier II classification has a market element. Markets or demand for Tier II parcels may not be favorable currently or in the near term due to the availability of other lands.

Management strategies for Tier II parcels include:

- Gain jurisdictional approvals, such as annexation, utility access, or subdivision platting.
- Perfect legal access, if not already available.
- Continue or seek leasing opportunities until market conditions for transition are more favorable.
- Facilitated discussions with stakeholders to establish coordination and cooperation within constitutional limitations and mandate.

Tier III – Feasible Transition

Tier III parcels are those that are within the Area of Impact that are not currently impacted by urban uses, but may be transitioned over the next 10-20 years. Therefore, within the context of this plan, state endowment lands identified as Tier III will continue to be managed in accordance with their current asset classification so long as they do not meet the criteria of Tier I or Tier II. However, as with the City and County's comprehensive plan, these lands will be continuously reviewed during the timeframe and management strategies adjusted as growth occurs.

Management strategies for Tier III parcels include:

- Continue or seek leasing opportunities until market conditions for transition are more favorable.
- Review property and market conditions every 1-5 years to conditions and potential for transition.
- Participate in City and County planning processes to ensure mission and objectives for state endowment land management are incorporated into comprehensive planning processes.
- Work with local land use jurisdictions to assure endowment lands are appropriately zoned and understood.
- Facilitated discussions with stakeholders to establish coordination and cooperation within constitutional limitations and mandate.

Tier IV – Transition not Planned

All lands outside of the city limits and that do not meet the criteria of Tier I-III lands and are likely to continue under current asset management strategies in the next 10-20 years are considered Tier IV.

Although these lands may be reconsidered in the future, there are no expected or intended management changes for these lands.

Management strategies for Tier IV parcels include:

- Continue current land management strategies and seek opportunities to enhance revenue potential for individual sites.
- Participate in City and County planning processes to ensure mission and objectives for state endowment land management are incorporated into comprehensive planning processes.

Table 2. Transition Lands Matrix

	Tier I	Tier II	Tier III	Tier IV
Primary/Secondary Timber Base			✓	✓
Planned Timber Harvest			✓	✓
Grazing/Mineral/Recreation Lease			✓	✓
Water/Sewer/Electric Utilities On Site	✓	✓	✓	
Preliminary Plat	✓	✓		
Zoned R4 or greater density	✓	✓		
Residential/ Commercial Lease	✓	✓		
Zoned CC or I	✓			
Final Plat	✓			

V. Payette Endowment Land Strategy Analysis

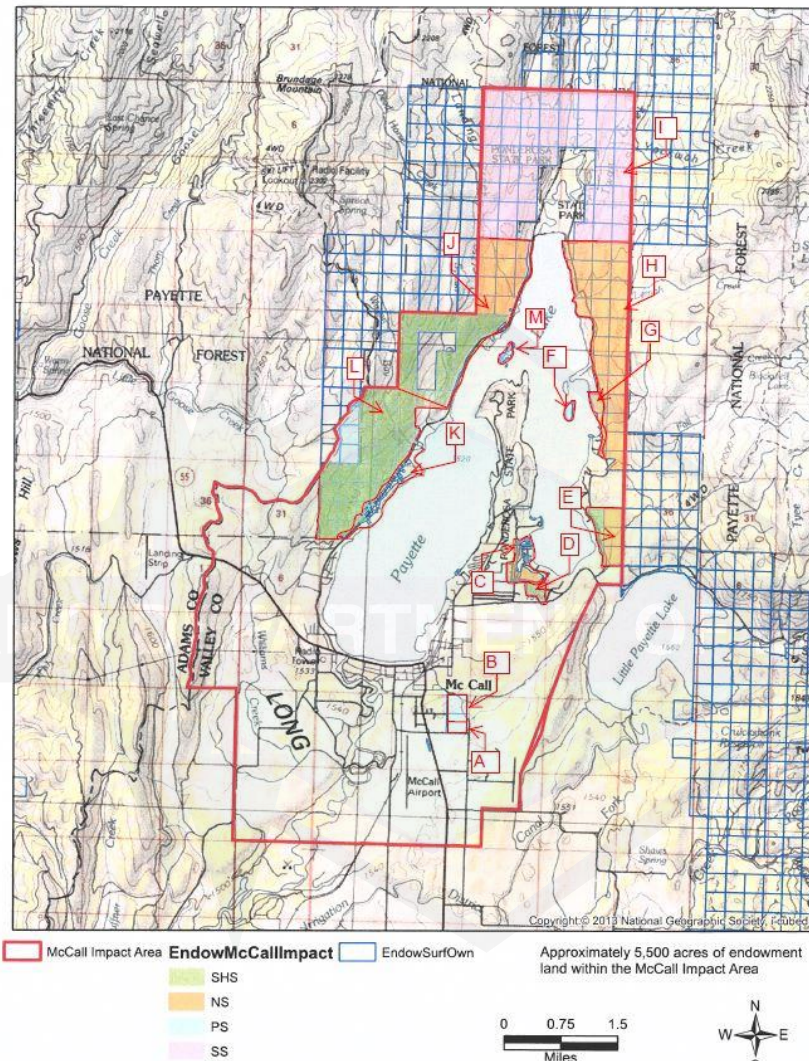
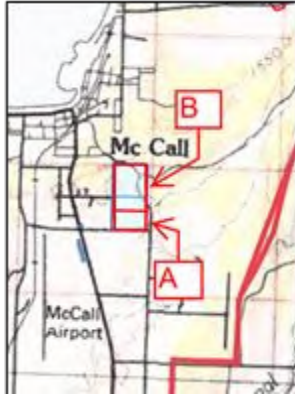


Figure 2. Parcels in the PELS Planning Area

Tier I Planned Transition (1-5 years) – Parcels A, K and M

Parcel A – Deinhard Commercial



Acreage	20
Current Asset Class	Commercial Real Estate
Current Leasing Activity	Office/Retail, Communication
Current Annual Revenue	\$28,750
Current Estimated Value⁴	\$1,150,000
Target Rental Rate	4%-8% based on Commercial HBU
Target Yearly Revenue	\$69,000
Yearly Revenue Gap	(\$40,250)
Current Zoning	CC- Community Commercial
Future Land Use Plan Designation	Commercial Development
Access	Deinhard Lane and Spring Mountain Boulevard
Utilities	Water, Sewer, Electric

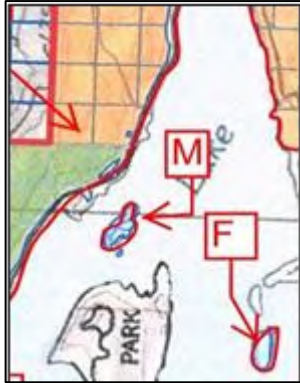
Parcel K - Syringa Park



Acreage	3.5859
Current Asset Class	Residential Real Estate
Current Leasing Activity	Residential
Current Annual Revenue	\$0
Current Estimated Value	\$240,000 based on 3-4 acres
Target Rental Rate	4% Based on Residential HBU
Target Yearly Revenue	\$9,600
Yearly Revenue Gap	(\$9,600)
Current Zoning	R4- Low Density Residential
Future Land Use Plan Designation	Medium Density Residential
Access	Warren Wagon Road and Payette Drive
Utilities	Sewer, Electric

⁴ Estimated value, will need to be updated with current estimate or appraisal.

Parcel M - Cougar Island



Acreage	14.21
Current Asset Class	Residential Real Estate
Current Leasing Activity	Residential
Current Annual Revenue	\$32,440
Current Estimated Value⁵	\$4,795,000
Target Rental Rate	4% Based Upon Residential HBU
Target Yearly Revenue	\$191,800
Yearly Revenue Gap	(\$159,360)
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Large Residential
Access	Boat only
Utilities	Lake water, solar electric, drain field for existing leased lot

Tier II – Probable Transition (5-10 years) – Parcels B, C and F

Parcel B-Deinhard Residential



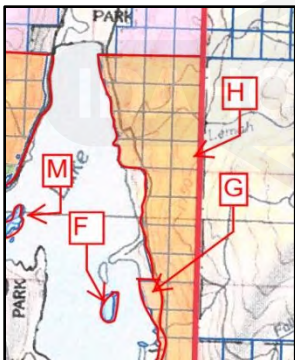
Acreage	60
Current Asset Class	Residential Real estate/Timberland
Current Leasing Activity	None
Current Annual Revenue	\$0
Current Estimated Value	\$595,000
Target Rental Rate	4% Based Upon Residential HBU
Target Yearly Revenue	\$23,800
Yearly Revenue Gap	(\$23,800)
Current Zoning	R4- Low Density Residential
Future Land Use Plan Designation	Rural Residential
Access	Deinhard Lane, Spring Mountain Boulevard, 3 rd Street
Utilities	Water, Sewer, Electric

Parcel C - White Pine



Acreage	56.1
Current Asset Class	Residential Real estate/Timberland
Current Leasing Activity	None
Current Annual Revenue	\$0
Current Estimated Value⁶	\$21,750,000 Potential of 150 lots
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$870,000
Yearly Revenue Gap	(\$870,000)
Current Zoning	R4- Low Density Residential
Future Land Use Plan Designation	Rural Residential
Access	Pilgrim Cove Road, John Alden Road, Miles Standish Road
Utilities	Water, Sewer, Electric

Parcel F - Shellworth Island

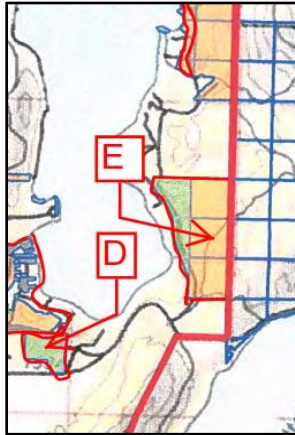


Acreage	13.13
Current Asset Class	Residential Real estate
Current Leasing Activity	Residential
Current Annual Revenue	\$11,070
Current Estimated Value	\$2,400,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$96,000
Yearly Revenue Gap	(\$84,930)
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Ag-Forest Conservation
Access	Boat only
Utilities	Lake water, solar electric, drain field for existing leased lot

⁶ Estimated value, will need to be updated with current estimate or appraised.

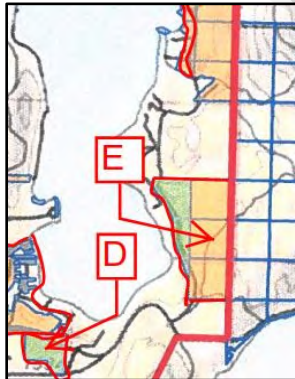
Tier III – Feasible Transition (10-20 years) – Parcels D, E, and G

Parcel D - Lick Creek



Acreage	37.71
Current Asset Class	Timberland
Current Leasing Activity	Communication
Current Annual Revenue	\$10,850
Current Estimated Value	\$6,000,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$240,000
Yearly Revenue Gap	(\$229,150)
Current Zoning	R4- Low Density Residential
Future Land Use Plan Designation	Low Density Residential
Access	Lick Creek Road, Pilgrim Cove Road, Miles Standish Road, Shady Lane
Utilities	Water, Sewer, Electric

Parcel E - Eastside Drive



Acreage	167
Current Asset Class	Timberland
Current Leasing Activity	Grazing, Commercial Recreation
Current Annual Revenue	\$14,167
Current Estimated Value	\$400,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$16,000
Yearly Revenue Gap	(\$1,833)
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Ag-Forest Conservation
Access	Eastside Drive and Fall Creek Road
Utilities	Sewer, Electric

Parcel G - Grove



Acreage	29.44
Current Asset Class	Timberland
Current Leasing Activity	None
Current Annual Revenue	\$0
Current Estimated Value	\$9,700,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$388,000
Yearly Revenue Gap	(\$388,000)
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Low Density Residential
Access	Eastside Drive
Utilities	Sewer, Electric

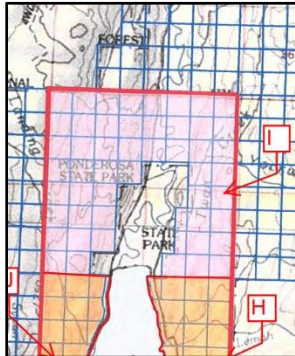
Tier IV – Transition Not Planned – Parcels H, I, J, and L

Parcel H - East of Eastside Drive to Tip



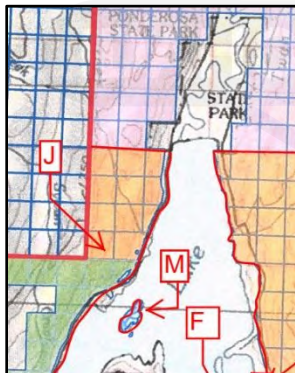
Acreage	985.8
Current Asset Class	Timberland
Current Leasing Activity	Grazing, Mineral
Current Annual Revenue	\$48,739
Current Estimated Value	\$1,560,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$62,400
Yearly Revenue Gap	(\$13,661)
Future Land Use Plan Designation	Ag-Forest Conservation
Access	Eastside Drive
Utilities	Sewer, Electric

Parcel I – Tip



Acreage	2042
Current Asset Class	Timberland
Current Leasing Activity	Grazing, Mineral, Noncommercial Recreation
Current Annual Revenue	\$28,257
Current Estimated Value	\$570,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$22,800
Yearly Revenue Gap	\$5,457
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Ag-Forest Conservation
Access	Eastside Drive, Warren Wagon Road
Utilities	None

Parcel J - West Warren Wagon to Simplot



Acreage	939
Current Asset Class	Timberland
Current Leasing Activity	Grazing
Current Annual Revenue	\$28,135
Current Estimated Value	\$880,952
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$35,238
Yearly Revenue Gap	(\$7,103)
Current Zoning	RR- Rural residential
Future Land Use Plan Designation	Ag-Forest Conservation
Access	Warren Wagon Road
Utilities	Sewer, Electric

Parcel L - Warren Wagon West



Acreage	1,058
Current Asset Class	Timberland
Current Leasing Activity	Grazing, Mineral, Commercial Recreation
Current Annual Revenue	\$98,637
Current Estimated Value	\$3,040,000
Target Rental Rate	4% based on Residential HBU
Target Yearly Revenue	\$121,600
Yearly Revenue Gap	(\$22,963)
Current Zoning	RR- Rural Residential
Future Land Use Plan Designation	Low Density Residential
Access	Warren Wagon Road, Green Gate Road
Utilities	Sewer, Electric

IDAHO DEPARTMENT OF LANDS

VI. Implementation Strategies (IS)

Tier I

IS-1.1 Perform full USPAP compliant appraisals for Tier I properties identified herein. Appraisal will be used to set base rent or disposition value.

IS-1.2 Work with a third-party advisor to develop individual transition plans for each Tier I property identified herein.

IS-1.3 Convene a key stakeholder group to review proposed strategies and garner feedback for consistency with community vision, within IDL's constitutional limitations and mandate.

IS-1.4 Market Tier I properties based on third-party recommendations and timeframe.

IS-1.5 Evaluate alternative actions (land exchange or disposition) if IS-1.4 marketing is unsuccessful.

Tier II

IS-2.1 Work with a third-party advisor to develop individual transition plans for each Tier II property identified herein.

IS-2.2 Complete platting and annexation processes with the City of McCall for Parcel B and Parcel C.

IS-2.3 Utilities, sewer and water

IS-2.4 Conduct public outreach and presentations to Valley County and City of McCall Commissioners regarding transition plans.

IS-2.5 Seek short-term leasing opportunities on Parcels B and Parcel C to generate interim revenues while not prohibitively encumbering future transition potential.

IS -2.6 Lease Parcel F under conditional provisions that will allow for the eventual transition of the Parcel.

Tier III

IS-3.1 Seek leasing opportunities on Parcel G that generate mid-term revenues and that do not hinder future transition potentials.

IS-3.2 Seek new or additional leasing opportunities on Parcels D and E that increase revenue generation relative to property values.

IS-3.2 Participate in City and County planning processes to ensure mission and objectives of endowment land management are incorporated into planning processes.

IS-3.3 Conduct annual and five-year reviews of land development and market conditions.

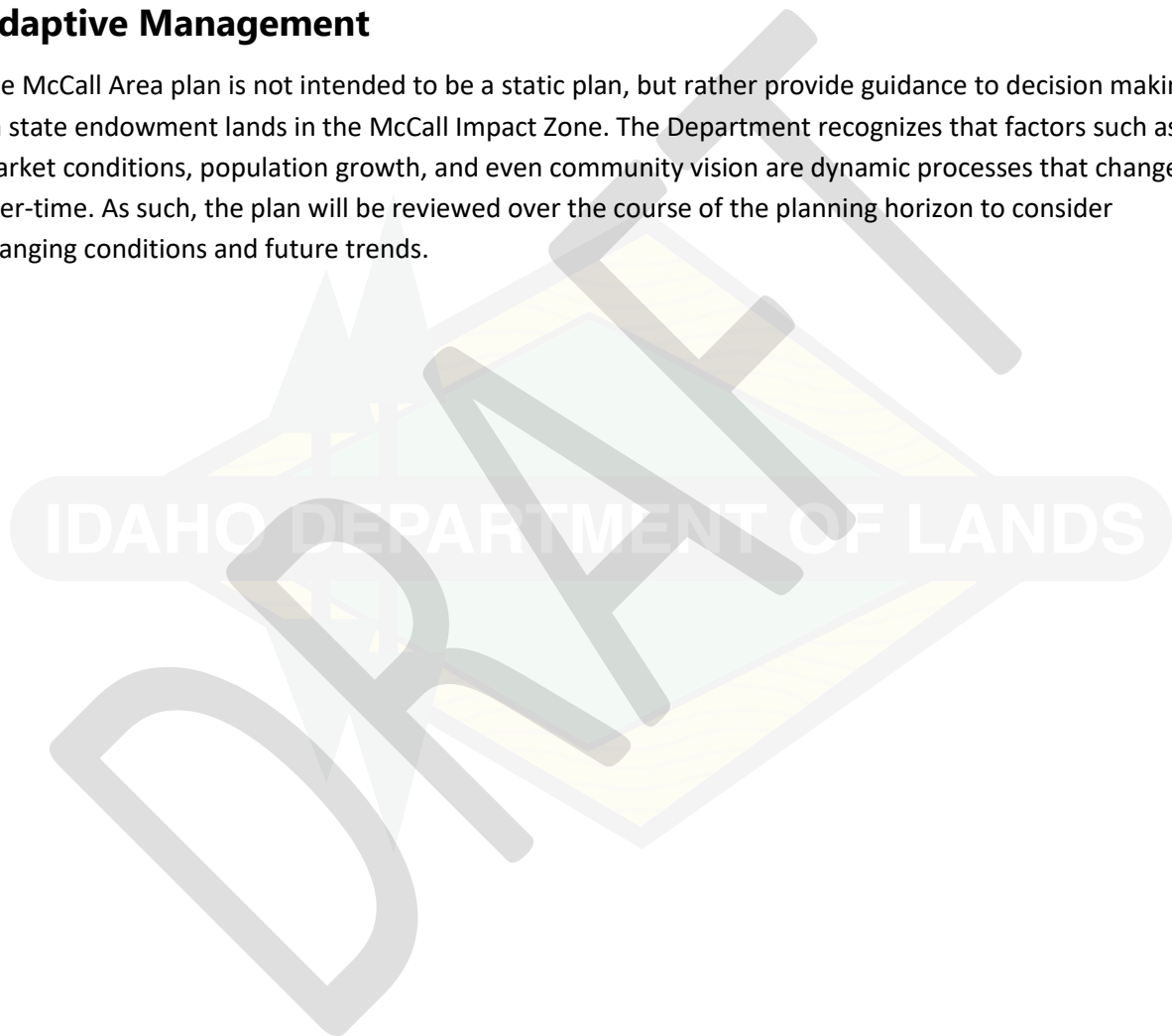
Tier IV

IS-4.1 Continue current land management strategies and seek opportunities to enhance revenue potential for Parcels H, I, J, and L.

IS-4.2 Participate in City and County planning processes to ensure mission and objectives for state endowment land management are incorporated into comprehensive planning processes.

Adaptive Management

The McCall Area plan is not intended to be a static plan, but rather provide guidance to decision making on state endowment lands in the McCall Impact Zone. The Department recognizes that factors such as market conditions, population growth, and even community vision are dynamic processes that change over-time. As such, the plan will be reviewed over the course of the planning horizon to consider changing conditions and future trends.



Appendix A – Transition Land Profiles

Parcel A - Deinhard Commercial

Legally Permissible: The current zoning is Community Commercial (CC). There are multiple permitted as well as uses based on the conditional use approval. The (CC) land use designation supports general commercial uses that serve the greater community of McCall. Permitted development includes a wide variety of industrial uses (agriculture or garden use, amusement facility, bank, night club, care center, local housing unit, lumber supply store, laundry mat, nursery, retirement home, studio, automobile service, bar, brew pub, church, medical clinic, hotel, professional offices, package delivery service, retail store, R&D facility, restaurant, theater, and vocational school). In addition to being zoned (CC), the McCall future land use comprehensive plan designates the property a high likelihood to change to commercial development. Considering the current zoning designation, surrounding uses, and market demand, the property would most likely be allowed a variety of general commercial uses.

Physically Possible: Deinhard Commercial (A) is approximately ±15-20 acres, depending on the "carve-out" from the existing Supervisory Area Office facilities and leased communication site. Roughly, 4-5 acres will be retained for leasing the office. The larger area would provide ample parking for a variety of uses, which also provides a convenient walking path for pedestrian traffic. The property has no obvious physical restrictions that would limit development to its highest and best use. The topography, which is generally level, and its configuration provide development alternatives under present market dynamics. The size of the property site affords development scenarios of a mid-sized sized general commercial, light industrial, or retail use classification. The property has average accessibility both within the neighborhood off East Deinhard Lane and Spring Mountain Blvd., however, offers no visibility from locations external to the neighborhood such as 3rd Street. All municipal utilities are immediately available including water, sewer, and power. With the above in mind, the property's physical characteristics are not believed to measurably restrict the development potential.

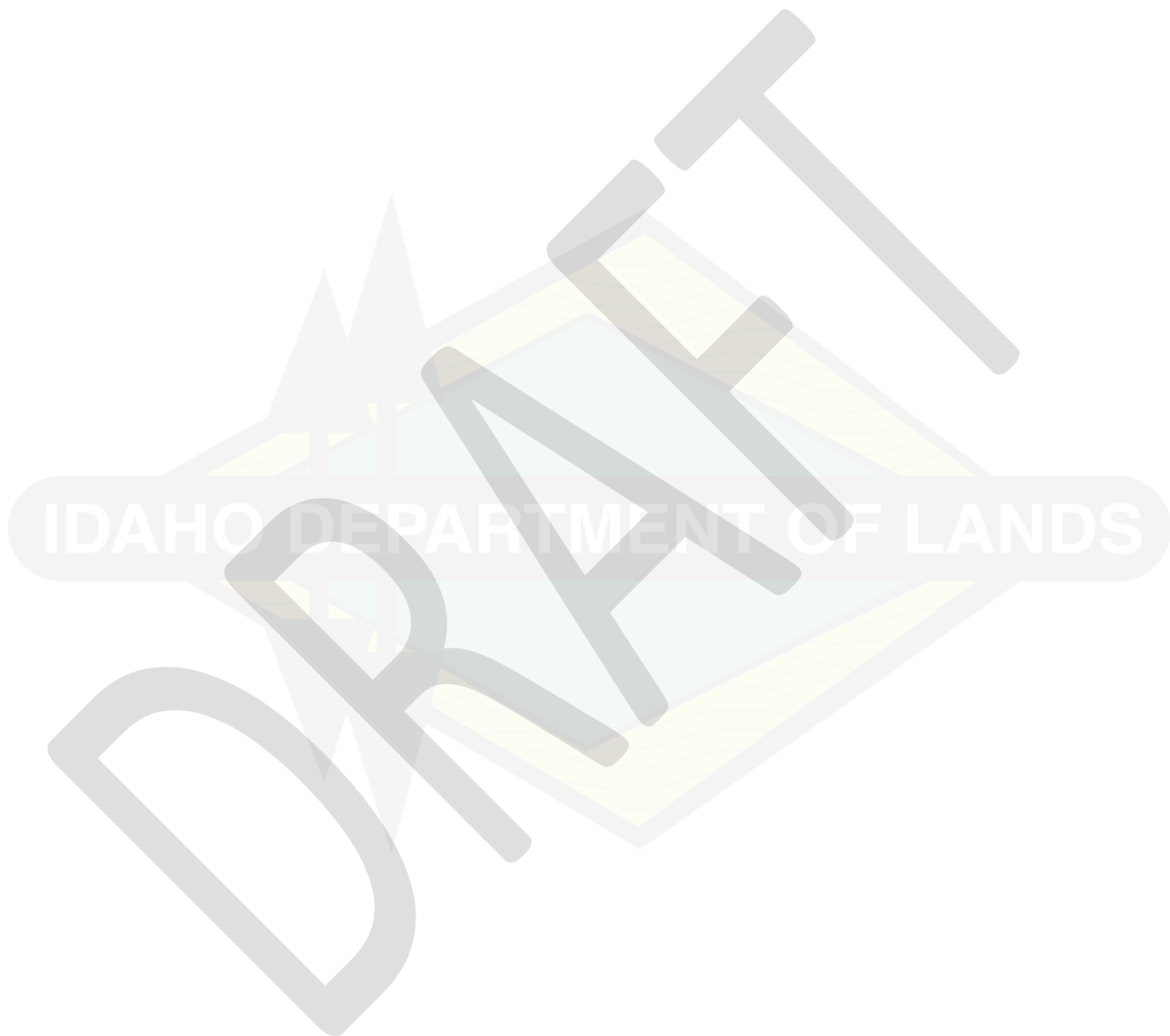
Financially Feasible: The decision as to the ultimate use of the property should include considerations of the probability of attaining a return on the investment. Any proposed use should take highest advantage of the marketable attributes of the property, while minimizing any negative characteristics. At the same time, a proposed use should operate within the limits of prudent and justified investments. The market is showing signs of improvement with strengthening rents, buyer demand, and vacancy improving. A number of local agents reported lease rate improvement upon renewals and a number of new leases for available space having been secured. As a result, Recent commercial construction activity is expanding in the immediate area, including Idaho First Bank, McCall Design & Planning (architect), Ridley's Family Market, and Legend CrossFit. Credit markets have eased with more availability of financing, resulting in increased transaction activity for development parcels. Given these trends, commercial development appears to be financially feasible.

Maximally Productive: 15-20 acres of general commercial use.

Most probable buyer/tenant: Commercial owner/occupant or build-to-suit developers.

Current Revenue: \$28,750 from three (3) Office Leases and a Communication Site Lease

Tier Category: Tier I – Planned Transition



Parcel B - Deinhard Residential

Legally Permissible: The property falls under zoning designation Low Density Residential (R4). This designation restricts development of property to residential uses. (R4) Zone: The R4 land use designation permits the development of low-density single-family residential neighborhoods. These neighborhoods would consist of larger home sites. The zone allows a maximum density of four (4) dwelling units per acre. A conceptual development plan would need to be provided.

Physically Possible: Deinhard Residential (B) is approximately ±60 acres, located to the north of Deinhard Commercial (A). The property is located in an area that holds good residential appeal and is in good proximity to Payette Lake as well as good time linkage to 3rd Street. The current access is from E Deinhard Lane and Spring Mountain Blvd. The shape is rectangular with adequate road frontage, width, and depth to allow for residential uses. The site topography is gentle to flat, thereby beneficial for a home or structure. Public utilities are currently available to the property.

Financially Feasible: Overall, a well-planned single-family subdivision is believed to be a financially feasible undertaking in the prevailing market conditions.

Maximally Productive: Under present land zoning and in light of development trends located in the immediate neighborhood, it is concluded the most probable speculative development of the property is for residential subdivision development with allowable density restrictions.

Most probable buyer/tenant: The most probably buyer is considered to be an investor/developer. That is someone interested in developing the property into a residential subdivision and selling the lots for profit.

Current Revenue: None

Tier Category: Tier II – Probable Transition

Parcel C - White Pine

Legally Permissible: Present zoning is Low Density Residential (R4). This designation restricts development of property to residential uses. (R4) Zone: The R4 land use designation permits the development of low-density single-family residential neighborhoods. These neighborhoods would consist of larger home sites. The zone allows a maximum density of four (4) dwelling units per acre. The Department preliminary platted and recorded the White Pine Heights Subdivision. Considering the zone allows a maximum density of four (4) dwelling units per acre, a conceptual development plan would be needed to further subdivide the larger lots and blocks into smaller residential lots to maximize returns and to be concurrent with local zoning. Currently the property is not incorporated within city limits of McCall and after discussions with Nathan Stewart (City Engineer) it would be beneficial for the city and the Department to annex the entire ±56.1-acre aggregate tract before platting. A conceptual development plan has not been performed further to current zoning density.

Physically Possible: White Pine (C) is shaped somewhat like a boot and lots range in size at 18.3 acres, 8.99 acres, 0.62 acres, 0.59 acres, 25.31 acres, for a combined size of 56.1 acres, excluding the roads from White Pine Heights Subdivision Preliminary Plat. The site topography is gentle to flat, thereby beneficial for a home or structure. Currently water is available with the potential to tap into Payette Lakes Water and Sewer District (PLWSD) sewer. There appears to be no concerns that PLWSD is at capacity in the immediate area. Access is a triad of roadways including Miles Standish Road, Pilgrim Cove Road, and John Alden Road with other ancillaries to the lake (Water Lily Lane and Plymouth Road).

Financially Feasible: The ultimate determination of financial feasibility of any proposed subdivision development is whether the present value of the anticipated income stream over time exceeds the cost to create (including raw land value) by a sufficient amount to attract equity capital and profit to the development. A single-family subdivision maximized to four dwellings units per acre is believed to be financially feasible.

Maximally Productive: Under present land zoning and in light of development trends located in the immediate neighborhoods, it is concluded the most probable speculative development of the property is for residential subdivision development with allowable density restrictions.

Most probable buyer/tenant: The most probable buyer is considered to be an investor/developer. That is someone interested in developing the property into a residential subdivision and selling the lots for profit.

Current Revenue: None

Tier Category: Tier II – Probable Transition

Parcel D - Lick Creek

Legally Permissible: The current zoning allows for Low Density Residential (R4). In conversations with the City of McCall and based on development trends in the area, combined with the property's land use designation, it appears that the site would most likely be approved for a single-family residential subdivision development and continued leased/timber uses. The Department preliminary platted and recorded this parcel with the White Pine Heights Subdivision. Currently the property is not incorporated within city limits of McCall. It would be beneficial for the city to annex the entire 30± acre larger parcel (aggregate parcel). A conceptual development plan has not been performed further to current zoning density.

Physically Possible: Lick Creek (D) is located to the south of White Pine (C) in an area that holds good residential appeal and is in good proximity to Payette Lake as well as the McCall public golf course. Primary access is from Lick Creek Road to Pilgrim Cove Road to Miles Standish Road to the east. The current access from Shady Lane is narrow however and not marked well. The shape is somewhat rectangular with adequate road frontage, width, and depth to allow for residential uses. The site topography is gentle to flat, thereby beneficial for a home or structure. Based upon typical auction lot absorption periods, the property's neighborhood represents an average supply of potential inventory. Public water and sewer are available to the property under Miles Standish Road.

Financially Feasible: The ultimate determination of financial feasibility of any proposed subdivision development is whether the present value of the anticipated income stream over time exceeds the cost to create (including raw land value) by a sufficient amount to attract equity capital and profit to the development. A single-family subdivision is believed to be financially feasible.

Maximally Productive: Highest and best use of the property, as vacant, is its proposed residential subdivision. The most likely purchaser of development land in the property's market area would be the traditional land developer. It is considered reasonable that under a land residual scenario, using typical development costs and typical lot values, a residential subdivision of the portion of the aggregate site is financially feasible and maximally productive.

Most probable buyer/tenant: The most probable buyer is considered to be an investor/developer. That is someone interested in developing the property into a residential subdivision and selling the lots for profit.

Current Revenue: \$10,850 from a Communication Site lease

Tier Category: Tier III – Feasible Transition

Parcel E - Eastside Drive

Legally Permissible: The area encompasses two different endowments and Parcel (E) is zoned as Rural Residential (RR), which has a maximum density of 1 dwelling unit per ten (10) acres. A boundary survey or conceptual development plan has not been performed to maximize current zoning density.

Physically Possible: Eastside Drive (E) is roughly 160 acres with Eastside Drive bordering the property along the western edge. Fall Creek road is the primary access road from the south that splits in a "Y" shape and extends through the northeastern portion of the property. The site is irregularly shaped with heavy tree cover and is large enough to accommodate many uses. The topography varies from 5,258' to 5,086' generally sloping towards the lake. Sewer and electricity are available at Eastside Drive, however, they have not been extended onto the parcel.

Financially Feasible: The current zoning clearly limits use to single-family residential use together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility. The highest and best use of the vacant site is for development to the maximum density allowed under current zoning which is representing one residential building sites or 3 dwelling units per 10-acres (roughly residential 15 lots).

Maximally Productive: The ultimate determination of financial feasibility of any proposed subdivision development is whether the present value of the anticipated income stream over time exceeds the cost to create (including raw land value) by a sufficient amount to attract equity capital and profit to the development. A single-family subdivision is believed to be financially feasible.

Who is the Most Likely Buyer: The most probable buyer is considered to be an investor/developer. That is someone interested in developing the property into a residential subdivision and selling the lots for profit.

Current Revenue: \$14,167 from Timber, Grazing, and a Commercial Recreation Lease

Tier Category: Tier III – Feasible Transition

Parcel F - Shellworth Island

Legally Permissible: The property site is zoned as Rural Residential (RR) which has a maximum density of 1 dwelling unit per ten (10) acres. The Department has a preliminary plat only drawn up as one lot from the ordinary high-water mark. The total acreage for Shellworth Island is 13.13 acres. Idaho Department of Lands is typically not subject to local zoning jurisdictions, so a conceptual development plan could be performed while in IDL ownership.

Physically Possible: Shellworth Island (F) is an island lot, therefore, there is no road frontage or wheeled vehicular access, access is via boat only. The site reflects a knoll characteristic which rises from the lake on both the south and west sides, with rocky hillsides. The western shoreline is all exposed granite and would not provide recreational access into the lake without boring into the rock for steps. This would appear to be marginal use frontage. The south portion of the shoreline is a small cove-like feature and there appears to be a rocky and sandy shoreline/beach area.

The topography of the site is mostly level with the central portions raising ± 50 feet. The approximate shoreline is 3,699 linear feet with native ground cover (as pertinent primarily where the site might have development challenges due to rock outcroppings). It is recognized the lot is located on Shellworth Island and there are seasonal limitations for boat only access given lake levels, lake freezing, etc. The island has moderate tree cover and no public utilities. Residences would need lake water extraction and decomposing septic systems.

Financially Feasible: The zoning clearly limits use to single-residential unit together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility but with limitations due to the exposed bedrock characteristics of the site. Uses are expected to be seasonal due to winter conditions and the lack of road access (this is an island property). It is recognized that when the lake freezes over access from the mainland using snowmobiles is a possibility but that is not a reliable and consistent form of access.

Maximally Productive: The property site has a highest and best use for a single residential unit together with typically expected ancillary improvements such as garage/storage building, guest quarters (cabin), storage sheds, dock improvements (if appropriate) and site improvements such as decks, patios, stairs/paths, etc.

Who is the Most Likely Buyer: The most likely buyer is a recreationist who desires the recreational attributes associated with Payette Lake, the McCall area, and the other recreational qualities of this sub-market. The Payette Lake market has a crossover between year-round home ownership and the seasonal recreational user.

Current IDL Revenue: \$11,070 from a Residential Lease

Tier Category: Tier II – Probable Transition

Parcel G - Grove

Legally Permissible: The subject site is zoned as Rural Residential (RR), which has a maximum density of 1 dwelling unit per ten (10) acres. The City Planner, Morgan Bessaw, stated the regulation, in fact, uses a ratio of 1 dwelling unit per 360,000 SF so the gross site size of 24.88 acres divided by this figure defines maximum density for this tract at 3 dwelling units.

Physically Possible: Grove (G) has a vast 3,100 lineal feet of shoreline and has a general east to west slope towards the lake. The tract is elongated and irregularly shaped with a "neck" near the central portion of the property. Access is by East Side Drive from Lick Creek Road. Utilities consist of electrical power, telephone, cable service, as well as access to PLWSD sewer.

Financially Feasible: The current zoning clearly limit use to single-residential use together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility. The highest and best use of the vacant site is for development to the maximum density allowed under current zoning, which is representing three (3) Residential Building sites or 3 dwelling units.

Maximally Productive: This does not preclude an estate property that reflects the ability to develop multiple residential buildings and ancillary structures consistent within that definition. This is not to say further subdivision options/assembling other IDL lands are viable. The property has a highest and best use for a maximum density (development) of three (3) residential dwelling units, which is equivalent to the term residential building sites. These sites have not been formally approved so there is a recognition that subdivision of the land would be required.

Most likely buyer/tenant: The most likely buyer, the ultimate buyer, will be owner/users who desire the recreational attributes associated with Payette Lake, the McCall area and the other recreational qualities of this sub-market.

Current IDL Revenue: None

Tier Category: Tier III – Feasible Transition

Parcel H - East of Eastside Drive to Tip

Legally Permissible: The property is zoned Rural Residential (10 Acres) RR, under the McCall area jurisdiction. This allows for single-family homes on significant acreage at maximum density of one dwelling unit per ten (10) acres. From a legal viewpoint, residential development is considered the most likely use. The property has Lake Frontage along portions of the east side of Payette Lake. As such, current zoning is given significant consideration and, recreational residential development is considered most likely.

Physically Possible: East of Eastside Drive to Tip (H) is roughly 985 acres with some shoreline development potential which could be increased significantly if Eastside Drive were relocated inland from its current location. Electric utilities are available but would have to be extended. PLWSD extended the sewer line to the middle of the parcel to service one private inholding. Additional sewer capacity would most likely require upgrading this sewer line to accommodate more effluent. The topography of the property at its steepest points has building limitations. Typical topographic issues include slope, waterfront qualities, lake depth qualities, and overall usability. However, recreational cabin site owners tend to build on this type of challenging topography to protect their lake front view. Furthermore, steeper terrain can often aid in the removal of timber resources. The property is irregularly shaped, however, is large enough to accommodate many uses. Access is achieved through an existing road (Eastside Drive). Overall, some physical limitations were observed. The extreme limitations would require some rock blasting.

Financially Feasible: While vacant land remains at high demand for residential/recreational development, the large property would require city approval, surveying, platting, feasibility studies, subdivision analysis, and other development costs. Over the last few decades, more recreational uses and retirement site demand exists for land in near proximity to Payette Lake. Prices paid for leases and private cabin sites and recreational uses exceed those prices warranted for agricultural or forest land uses. However, much of the steeper land is not entirely suited for cabin site development and the unusable areas is leased for grazing and mineral extraction in the interim. Therefore, based on common motivation for land purchases in this area, along with increased community development and high demand of private lakefront or near lake front property, it is felt that use as a recreational /residential subdivision coupled with additional timber/grazing leases would be financially feasible due to common motivation for land purchases in this area.

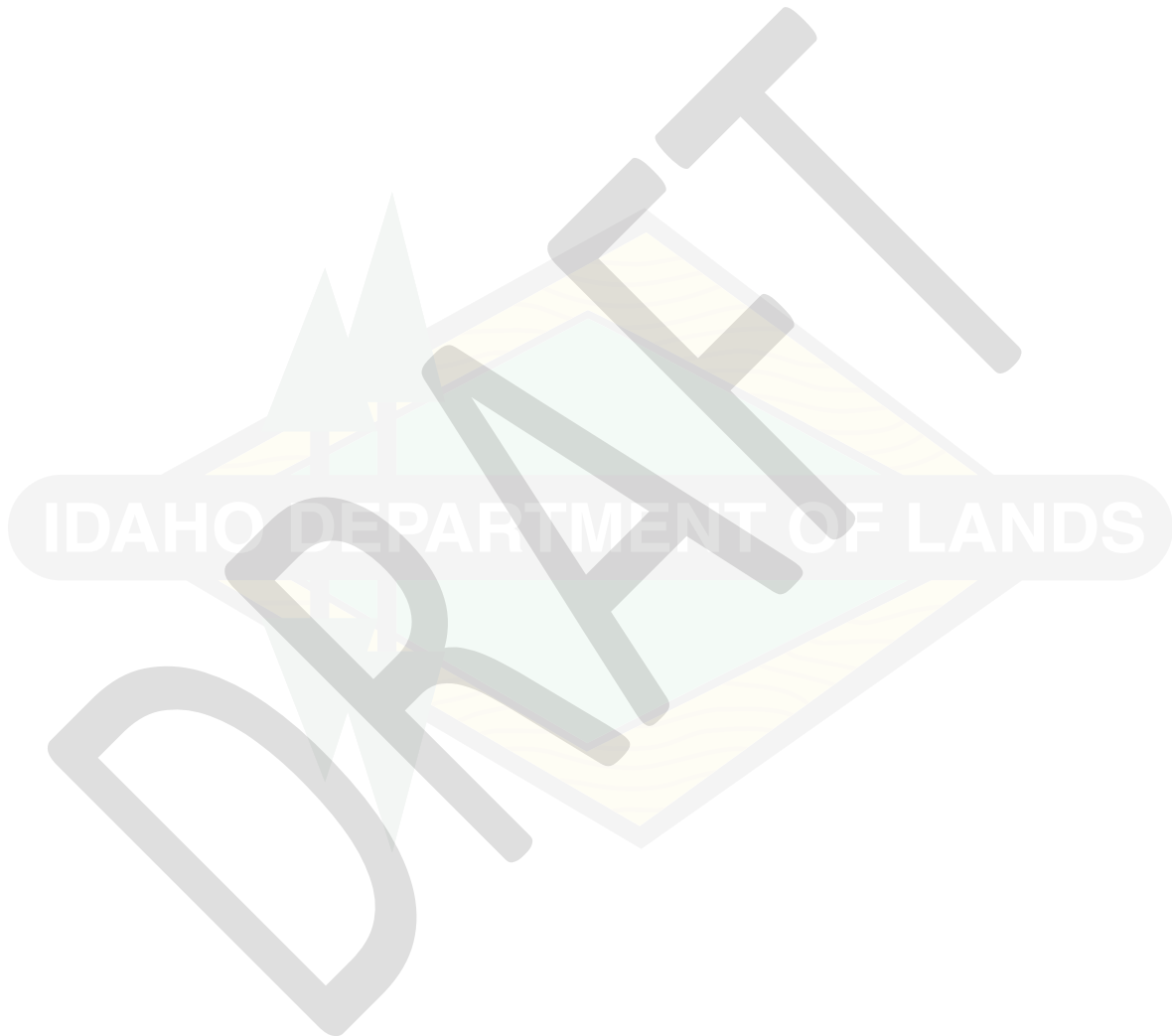
Maximally Productive: Highest present land value as vacant is obtained by residential recreational development as warranted by demand. Because of the good views from the lake front portions of the site, its attractive aesthetics, and the recreational uses in the area, a combined use of both timber/grazing upland along with residential recreational use is the highest and best use of the property. The maximum productivity of each individual site would be the ability to incorporate both residential and recreational aspects of land use. Most prudent phasing would be to focus on selling sites

with road frontage without spending large sums of money to develop interior roads. A concurrent use would be for timber management and grazing.

Most probable buyer/tenant: The most probably buyer would be a large-scale developer with expertise in native grazing and investment.

Current IDL Revenue: \$48,739 from Timber, Grazing, and Mineral Leasing

Tier Category: Tier IV – Transition Not Planned



Parcel I - Tip

Legally Permissible: The property site is zoned as RR Rural Residential, which has a maximum density of 1 dwelling unit per ten (10) acres. This allows for single-family homes on significant acreage at maximum density of one dwelling unit per ten (10) acres. From a legal viewpoint, residential development is considered the most likely use.

Physically Possible: Tip (I) is located adjacent to Ponderosa State Park (1,515 acres) which is a public recreation area occupying the meandering inlet of the NF Payette River and the northern extremity of Payette Lake. Access is via Eastside Drive to a northerly apex, looping to Warren Wagon Road along the west side of the lake. The property size is approximately 2,040 acres. The topography of the property at its steepest points has building limitations. Along the western portion of the parcel, elevations rise 500' with heavy timber. Typical topographic issues include slope and overall usability. Furthermore, steeper terrain can often aid in the removal of timber resources. The property is rectangular shaped, however, is large enough to accommodate many uses. The property does not have lake frontage. Certain higher elevations have wonderful views of Payette Lake.

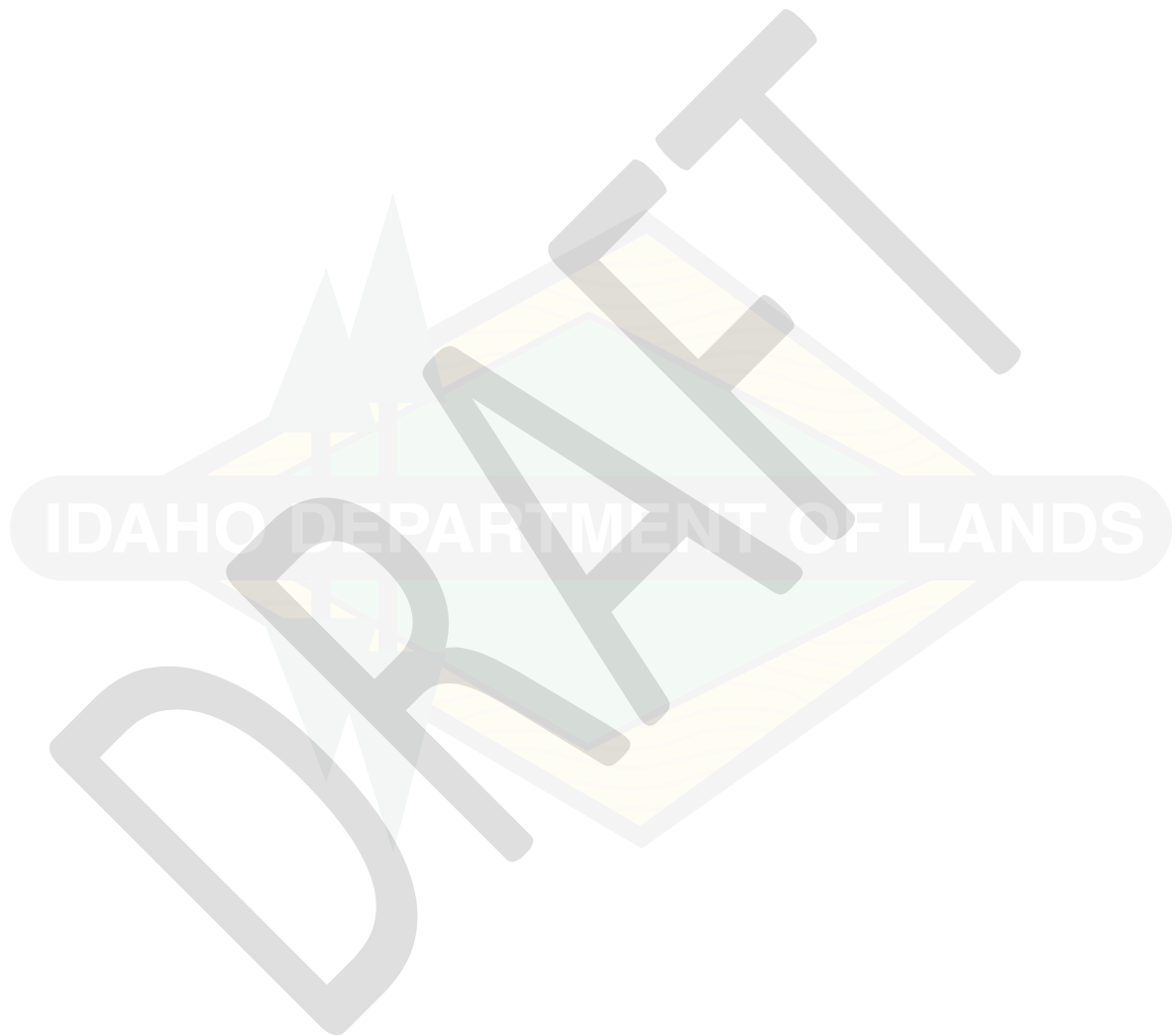
Financially Feasible: While vacant land remains at high demand for residential/recreational development, the large property would require city approval, surveying, platting, feasibility studies, subdivision analysis, and other developing costs. Over the last few decades, more recreational uses and retirement site demand exists for land in near proximity to Payette Lake. Prices paid for leases and private cabin sites and recreational uses exceed those prices warranted for agricultural or forest land uses. However, much of the steeper land is not entirely suited for cabin site development and the unusable areas is leased for grazing and mineral extraction in the interim. Therefore, based on common motivation for land purchases in this area, along with increased community development, it is felt that use as a recreational /residential subdivision coupled with additional timber/grazing leases would be financially feasible due to common motivation for land purchases in this area.

Maximally Productive: Highest present land value as vacant is obtained by residential recreational development as warranted by demand. Because of the good views from portions of the site, it's attractive aesthetics, and the recreational uses in the area, a combined use of both timber/grazing upland along with residential recreational use is the highest and best use of the property. The maximum productivity of each individual site would be the ability to incorporate both residential and recreational aspects of land use.

Most probable buyer/tenant: The most probably buyer would be a large-scale developer with expertise in native grazing and investment.

Current IDL Revenue: \$28,257 from Timber, Grazing, Mineral, Noncommercial Recreation Leasing

Tier Category: Tier IV – Transition Not Planned



Parcel J - West Warren Wagon to Simplot

Legally Permissible: The property is zoned Rural Residential (RR) (10 Acres), under the McCall area jurisdiction. This allows for single-family homes on significant acreage at maximum density of one dwelling unit per ten (10) acres. From a legal viewpoint residential development is considered the most likely use. The property has Lake Frontage along portions of the west side of Payette Lake. As such, current zoning is given significant consideration and recreational/residential development is considered most likely.

Physically Possible: West Warren Wagon to Simplot (J) is ±380-acres of wooded timberland. Electric utilities are available but would have to be extended. The topography of the property at its steepest points has building limitations. Typical topographic issues include slope, waterfront qualities, lake depth qualities, and overall usability. However, recreational cabin site owners tend to build on this type of challenging topography to protect their lake front view. Furthermore, steeper terrain can often aid in the removal of timber resources. The property is irregularly shaped; however, it is large enough to accommodate many uses. Access is achieved through an existing road (Warren Wagon Road).

Financially Feasible: While vacant land remains at high demand for residential/recreational development, the large property would require city approval, surveying, platting, feasibility studies, subdivision analysis, and other development costs. Over the last few decades, more recreational uses and retirement site demand exists for land in near proximity to Payette Lake. Prices paid for leases and private cabin sites and recreational uses exceed those prices warranted for agricultural or forest land uses. Based on common motivation for land purchases in this area, along with increased community development and high demand of private lakefront or near lake from property, it is felt that use as a recreational /residential subdivision coupled with additional timber/grazing leases would be financially feasible due to common motivation for land purchases in this area.

Maximally Productive: Highest present land value as vacant is obtained by residential recreational development as warranted by demand. Because of the good views from the lake front portions of the site, its attractive aesthetics, and the recreational uses in the area, a combined use of both timber/grazing upland along with residential recreational use is the highest and best use of the property. The maximum productivity of each individual site would be the ability to incorporate both residential and recreational aspects of land use.

Most probable buyer/tenant: The most probably buyer would be a large-scale developer with expertise in native grazing and investment.

Current IDL Revenue: \$28,135 from Timber and a Grazing Lease

Tier Category: Tier IV – Transition Not Planned

Parcel K Warren Wagon East

Legally Permissible: The current zoning allows for Low Density Residential (R4). In conversations with the City of McCall and based on development trends in the area, combined with the property's land use designation, it appears that the site would most likely be approved for a single-family residential subdivision development and continued leased/timber uses. Considering the zone allows a maximum density of four (4) dwelling units per acre, a conceptual development plan would be needed to further subdivide the larger lots and blocks into smaller residential lots to maximize returns and to be concurrent with local zoning.

Physically Possible: This includes platted Syringa Park Subdivision (3.56 acres of non-lakefront property). The surrounding area has remaining leased cottage sites consist of approximately 15 non-lakefront, quarter-acre lots. The terrain is generally level and varies with drainage easterly to the lake. Access is good via Warren Wagon Road with Syringa Way and Payette Drive as ancillary roads. Utilities are available in the area. Parcel K is triangular, however, is large enough for a single-family residential use.

Financially Feasible: The current zoning clearly limit use to Single-Residential Use together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility. The highest and best use of the vacant site is for development to the maximum density allowed under current zoning, which is representing about three (3) Residential Building sites or 3 dwelling units.

Maximally Productive: Under present land zoning and in light of development trends located in the immediate neighborhood, it is concluded the most probable speculative development of the property is for residential subdivision development with allowable density restrictions.

Most probable buyer/tenant: The most probably buyer is considered to be an investor/developer. That is someone interested in developing the property into a residential subdivision and selling the lots for profit.

Current IDL Revenue: None

Tier Category: Tier I – Planned Transition

Parcel L Warren Wagon West

Legally Permissible: The property is zoned Rural Residential Estates (10 Acres) RR, under the McCall area jurisdiction. This allows for single-family homes on significant acreage at maximum density of one dwelling unit per ten (10) acres. From a legal viewpoint residential development is considered the most likely use. The property has Lake Frontage along portions of the west side of Payette Lake. As such, current zoning is given significant consideration and recreational/residential development is considered likely.

Physically Possible: Electric utilities are available, however, would have to be extended. The topography of the property at its steepest points has some building limitations with great views. The property is generally a bench sloping towards the lake with moderate elevation changes. The property is irregularly shaped, however, is large enough to accommodate many uses. Access is through an existing road (Warren Wagon Road). The property's size is ±1,520-acres of wooded timberland. There are no other physical limitations that would affect the highest and best use.

Financially Feasible: While vacant land remains at high demand for residential/recreational development, the large property would require city approval, surveying, platting, feasibility studies, subdivision analysis, and other developing costs. Over the last few decades, more recreational uses and retirement site demand exists for land in near proximity to Payette Lake. Prices paid for leases and private cabin sites and recreational uses exceed those prices warranted for agricultural or forest land uses. Based on common motivation for land purchases in this area, along with increased community development and high demand of private lakefront or near lake from property, it is felt that use as a recreational /residential subdivision coupled with additional timber/grazing leases would be financially feasible due to common motivation for land purchases in this area.

Maximally Productive: Highest present land value as vacant is obtained by residential recreational development as warranted by demand. Because of the good views from the lake front portions of the site, its attractive aesthetics, and the recreational uses in the area, a combined use of both timber/grazing upland along with residential recreational use is the highest and best use of the property. The maximum productivity of each individual site would be the ability to incorporate both residential and recreational aspects of land use.

Most probable buyer/tenant: The most probably buyer would be a large-scale developer with expertise in native grazing and investment.

Current IDL Revenue: \$98,637 from Timber, Grazing, Mineral, Commercial Recreation Leasing

Tier Category: Tier IV – Transition Not Planned

Parcel M - Cougar Island

Legally Permissible: The site is zoned as RR Rural Residential which has a maximum density of 1 dwelling unit per ten (10) acres. Currently, the island is platted into 5 lots; one which is improved and leased. The City Planner, Morgan Bessaw, stated the lots are non-conforming to zoning but these five (5) lots are buildable tracts, however, none of these lots can be further subdivided. The Conditions, Covenants & Restrictions (CC&Rs) prohibit further subdivision as well. The City Planner stated there are no prohibitions on obtaining a building permit for any of these lots and, should a structure be destroyed or demolished, there is no prohibition upon re-building. Therefore, the key point here is compliance with the current zoning and CC&Rs.

Physically Possible: Cougar Island (M) is an island, therefore, there is no road frontage or access, access is by boat only. The site reflects a knoll characteristic which rises from the lake on all sides with basalt hillsides. The total aggregate size is 14.21 acreage with the combination of 5 platted lots: 3.47, 2.52, 2.94, 3.35, and 1.93 acres all with a mixture of lake frontage containing 4,320 linear feet of shoreline.

There are no known characteristics that would eliminate the legally identified use of the property with the exception of limited desirable septic drain field locations. There has been a classification of the site qualities which includes size, waterfront, if any, topography, ground cover, access, soils (as pertinent primarily where the site might have development challenges due to rock outcroppings). It is recognized the lot is located on Cougar Island and there are seasonal limitations for access given lake levels, lake freezing, etc.

Financially Feasible: The zoning and the CC&R's clearly limit use to single-residential unit together with any ancillary improvements such as garage, storage buildings, guest cabin, boathouse, etc. The site is physically capable of providing for that utility but with limitations due to the exposed bedrock characteristics of the site. Uses are expected to be seasonal due to winter conditions and the lack of road access (this is an island property). It is recognized that when the lake freezes over access from the mainland using snowmobiles is a possibility but that is not a reliable and consistent form of access. The property site has a highest and best use for five single residential unit together with typically expected ancillary improvements such as garage/storage building, guest quarters (cabin), storage sheds, dock improvements (if appropriate) and site improvements such as decks, patios, stairs/paths, etc.

Who is the Most Likely Buyer: The most likely buyer is a recreationist who desires the recreational attributes associated with Payette Lake, the McCall area, and the other recreational qualities of this sub-market. The Payette Lake market has a crossover between year-round home ownership & the seasonal recreational user.

Current IDL Revenue: \$32,440 from a Residential Lease

Tier Category: Tier I –Planned Transition