



## Real Estate Services Bureau Frequently Asked Questions

### Endowment Land

#### **Q: What is the difference between state land and endowment land?**

A: In the Idaho Admissions Act of 1889, the United States Congress granted certain lands to the State of Idaho in trust for the sole purpose of funding specific beneficiaries, the largest of which is public schools. The Idaho Constitution mandates that endowment lands will be managed "...in such a manner as will secure the maximum long-term financial return to the institution to which [it is] granted." Non-endowment state lands – state lands managed by other agencies for different purposes, such as Idaho Transportation Department, Idaho Department of Parks and Recreation, Idaho Department of Fish and Game, and others – have no such mandate.

#### **Q: Where are endowment lands located?**

A: Maps are located on the IDL web site at this link: <https://www.idl.idaho.gov/maps-land-records/index.html>

### Land Exchange

#### **Q: What is a land exchange?**

A: Land exchanges are used to trade endowment land for properties that produce higher revenue streams, provide better uses, provide access, or consolidate endowment land ownership. Land exchanges are made with other state and federal agencies and in some cases with private property owners. Land is exchanged on an equal value basis, rather than on an acre-by-acre basis. Idaho Code § 58-138.

### Cottage Site Auctions

#### **Q: What is a Voluntary Auction for Ownership?**

A: IDL historically leased endowment land at Priest Lake in northern Idaho and Payette Lake in west central Idaho. Many lessees built homes and other improvements as personal property on the endowment land. The endowment lands are known as "cottage sites." Through the Voluntary Auction for Ownership (VAFO) process, IDL is offering cottage site lessees the option to nominate for sale the endowment land that is under their lease. The process is voluntary and provides an opportunity for lessees and others to unify the split ownership of the cottage structures and the underlying endowment land.

#### **Q: Do I have to be the lessee to bid?**

A: No. The endowment-owned lots are offered at public auction. If someone other than the current lessee is the successful bidder on a cottage site lot, then the bidder must pay the lessee separately for the appraised value of his/her improvements.

#### **Q: How many more years of auctions will there be?**

A: The Land Board authorized IDL to continue auctions through 2024.

#### **Q: Is IDL selling vacant land?**

A: A small number of vacant lots called Unleased Lots are also available for nomination by anyone.

#### **Q: How do I find out what lots are available for auction?**

A: Unleased lots are advertised on the IDL website for anyone to nominate. For the sites that lessees nominate for auction, IDL publishes legal notices in the McCall Star News and Bonner County Bee.

## **Surplus Properties**

### **Q: What is surplus property?**

A: Surplus properties are properties (owned by another state agency, not endowment land) which have been declared surplus to the agency's needs. IDL is responsible for disposing of surplus properties for most state agencies. Idaho Code § 58-311.

### **Q: Who determines which properties are surplus?**

A: Each state agency is responsible for identifying and declaring surplus any property that is no longer needed by the agency. The agency then must notify IDL in writing that it has declared the property surplus and wants to dispose of the property.

### **Q: What is the process for selling surplus property?**

The process for selling surplus property that is considered real property or land is prescribed in the Surplus Property Act, Idaho Code §§ 58-331 through 58-335A.

## **Acquisitions**

### **Q: Who can sell land to IDL?**

A: Any landowner who is not legally prohibited from selling land may propose to sell land in Idaho to IDL.

### **Q: What does IDL look for in a potential acquisition?**

A: IDL is primarily interested in large tracts (more than 200 acres) of quality timberland parcels. In addition, properties that provide access to existing IDL land and parcels that "block-up" existing endowment ownerships are desired.

### **Q: How long does the process take?**

A: The process takes an average of 6-12 months, depending on the complexity of the real estate transaction and the necessary due diligence.

### **Q: How are potential acquisitions valued?**

A: Potential timberland and farmland acquisitions are appraised using a discounted cash flow model. All timberland and farmland acquisitions must meet or exceed certain financial requirements.

## **Endowment Land Dispositions (endowment land for sale)**

### **Q: What is the minimum price for endowment land?**

A: The minimum amount the state can sell endowment land is for appraised value.

### **Q: How is endowment land sold?**

A: Endowment land can only be sold through public auction.

### **Q: What properties are currently for sale?**

A: The IDL website advertises properties approved for sale. Additionally, IDL will publish a legal notice in the local newspaper where the property is located.

### **Q: Can IDL sell timberland?**

A: No. IDL is prohibited from selling property that is primarily identified as timberland. Idaho Code § 58-133.

### **Q: Can I provide a sealed bid for an offer on endowment land for sale?**

A: No. IDL is mandated by statute to offer the appraised amount as a minimum bid at a public auction.