

Idaho endowment lands produce a record \$124 million

By KEITH RIDLER, Associated Press

BOISE, Idaho (AP) — Idaho's endowment lands generated a record \$124 million in the fiscal year that ended June 30.

The Idaho Department of Lands in a report last week also said that the Idaho Endowment Fund increased 3 percent to \$1.8 billion.

The state agency said that strong returns over the last five years has permitted boosting distributions to beneficiaries, mainly public education, by 9 percent to \$56.5 million.

The biggest money producer from state lands was timber, which generated \$68.2 million on the sale of 277 million board feet.

"We feel confident of the continued success of our timber sale program," said Director Tom Schultz.

Residential and commercial real estate produced about \$11.5 million, according to the agency.

The endowment lands also produced about \$2.2 million in grazing fees. Schultz said that will increase next year as lease rates are being bumped up.

The nascent oil and gas industry brought in about \$400,000 through lease payments. Schultz noted that could increase once private oil companies start producing and the state begins receiving royalties from wells in southwest Idaho.

A noteworthy aspect of the endowment land revenue is that 30 percent, some \$40 million, came from the one-time sale of state land to private individuals as officials work to get out of the cabin-site renting business.

Looking forward, endowment land revenue will continue to get that boost as the state agency plans to sell 70 more leased and unleased lots at Priest and Payette lakes over the next several months.

The sales, with additional auctions through 2017, are part of a plan to get rid of the leased lots after the Idaho Supreme Court ruled that the policies set up to protect leaseholders were unconstitutional.

Schultz said the agency is considering using some of the money to buy private land in key areas, to provide better access to state lands or to create more easily managed blocks of state land.

Secretary of State Lawrence Denney, one of five Land Board members who direct the Idaho Department of Lands, says he's in favor of buying timber or grazing land.

Denney has been a critic of the Land Board buying commercial real estate and competing with private businesses, but said he had less conflict with buying timber or grazing land.

"When you start talking about ag or timber, you're talking about so many potential buyers and sellers, it's really more true competition than competition against a specific industry," he said.

Also, financial managers have told the Land Board that land holdings can provide portfolio stability.

Idaho has 2.4 million acres of endowment lands benefiting state institutions, principally education, that must be managed to obtain the maximum, long-term return. Idaho received about 3.8 million acres from the federal government when it became a state, but sold much of that land, mainly in farming areas.

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