

STATE BOARD OF LAND COMMISSIONERS

April 21, 2026
Regular Agenda

Subject

Payette Lakes Land Exchange Due Diligence

Question Presented

Shall the Land Board direct the Department to complete due diligence for a potential exchange of endowment land around Payette Lake for federal land?

Background

In November 2025, the Board of Land Commissioners (Land Board) authorized the Department of Lands (Department) to evaluate a potential exchange of endowment lands around Payette Lake for federal land administered by the United States Department of Agriculture – Forest Service (Forest Service). The Department previously evaluated some of the endowment lands being considered for exchange during development of the Payette Endowment Lands Strategy, approved by the Board in March 2021.

The endowment lands under consideration for the potential exchange have significantly appreciated in value while revenue has not increased. The Land Board's Statement of Investment Policy and Asset Management Plan direct the Department to evaluate and address underperforming assets through improved management, leasing, exchange, or disposition.

Discussion

The potential land exchange would exchange up to approximately 15,700 acres of endowment land around Payette Lake in Valley County (Attachment 1) for federal land. The endowment land is owned by the Normal School (34.4%), School of Science (29.1%), Public School (22.9%), State Hospital South (9.8%), and Charitable Institutions (3.8%) endowments.

The exchange would likely result in acquisition of significantly more acres of federal land to achieve equal value. It is estimated that up to approximately 150,000 acres of federal land could be acquired, depending upon the actual value of the endowment land and federal land. Final valuations of lands involved in a potential exchange would occur via appraisals conducted by third parties.

The objectives for the potential land exchange include the following:

- Obtaining equal or greater value in exchange for the endowment lands.
- Consolidation of endowment land ownership.
- Increased income for the endowments primarily through leasing and timber management.

- Recreational access to more total endowment land plus continued public access to Payette Lake.
- Potential for similar land appreciation from the total acres disposed and acquired.
- Alignment of endowment land management objectives with the resulting land ownership pattern, allowing for more effective land and resource management.

The potential federal lands to be acquired include up to 150,000 acres located in Boise, Valley, Adams, Latah, Benewah, Shoshone and Bonner counties. Sufficient acres have been identified to provide equal value for the endowment lands.

Authorization of due diligence for the potential exchange does not authorize the final exchange. If the due diligence process determines that the potential exchange would be in the best interest of the trust beneficiaries and is aligned with the Land Board's Endowment Land Exchange Policy (2022), the Department would seek Land Board approval to complete the exchange at a future meeting.

Congressional action would be necessary for the federal portion of the exchange. The due diligence process would begin so that the potential federal exchange acres can be identified and prioritized for Congressional action. Then due diligence would continue as appropriate concurrent with the progress in Congress. While Congress may approve the exchange of federal lands, the Land Board retains the authority for final approval of the exchange of endowment lands.

If the exchange were to receive final Land Board approval at a future meeting then the land acquired would be managed in the same manner as other endowment lands. Consistent with the Land Board's Recreation Policy (2018), the public would have recreational access to legally accessible endowment lands, as long as the recreational activities do not degrade the lands, interfere with management activities, or otherwise negatively affect the long-term financial return to endowment beneficiaries.

The Department has preliminarily analyzed several alternatives including full exchange and retention of certain parcels of endowment land around Payette Lake:

Alternative 1: Full exchange of up to 15,700 acres.

Alternative 2: Partial exchange with retention of about 1,040 acres.

Alternative 3: Partial exchange with retention of about 1,520 acres.

Alternative 4: Partial exchange with retention of about 2,560 acres.

Each alternative produces different outcomes for the beneficiaries, though the differences are not large. It is important to note that additional leasing opportunities on any retained parcels would improve the income return for those alternatives, though those opportunities have been limited to date.

Retention of some parcels around the lake (Alternatives 2, 3, and 4) would result in lower immediate annual income, similar total return on asset due to greater land appreciation, and a more complex land ownership pattern when compared to a full disposition via exchange.

The full exchange (Alternative 1) would result in somewhat higher immediate annual income, similar total return on asset, higher long-term endowment timber harvest and more Idaho timberland intensively managed, and a less complex land ownership pattern with land use better aligned with landowner objectives.

Each alternative would result in increased long term financial return for the endowment beneficiaries when compared to the current situation.

The Department recommends that the Land Board direct completion of due diligence for an exchange of the endowment land around Payette Lake for federal land. This recommendation is based on the expectation of greater annual income, higher long-term endowment timber harvest, more Idaho timberland acres actively managed, and better alignment of endowment land ownership with endowment objectives.

During the due diligence process the Department expects to identify the best alternative for Land Board consideration at a future meeting.

Recommendation

Direct the Department to complete due diligence including analysis of full exchange and partial retention, concurrent with Congressional action, and to work with the Idaho delegation to pursue the Congressional action.

Board Action

Attachments

1. Alternative maps of endowment lands under consideration for exchange.
2. General map of federal lands under consideration for exchange.

Payette Lake Endowment and Forest Service Lands for Consideration

Idaho Department of Lands

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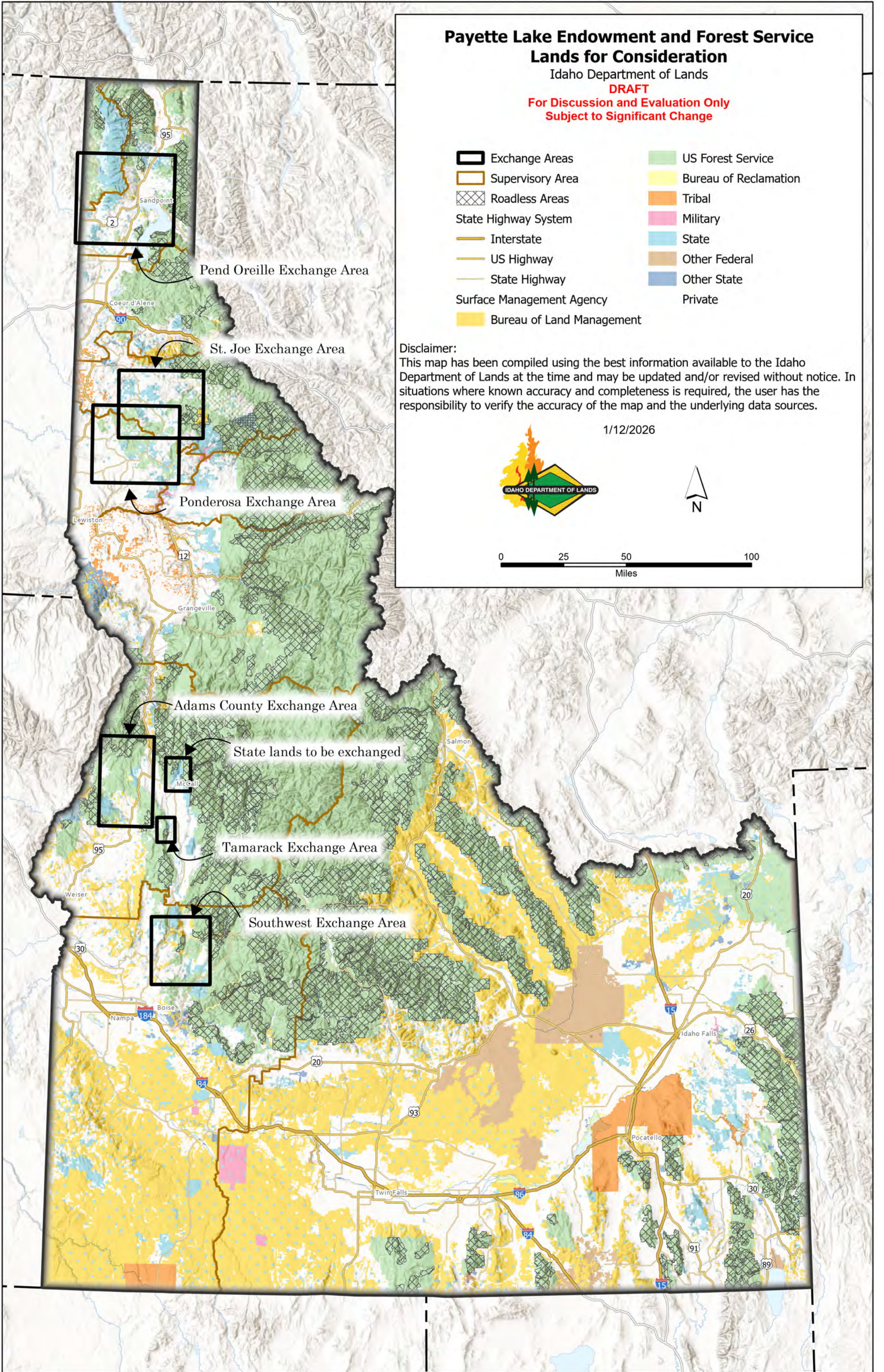
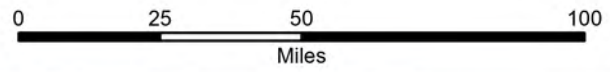
**For Discussion and Evaluation Only
Subject to Significant Change**

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|---------------------------|-----------------------|
| Exchange Areas | US Forest Service |
| Supervisory Area | Bureau of Reclamation |
| Roadless Areas | Tribal |
| State Highway System | Military |
| Interstate | State |
| US Highway | Other Federal |
| State Highway | Other State |
| Surface Management Agency | Private |
| Bureau of Land Management | |

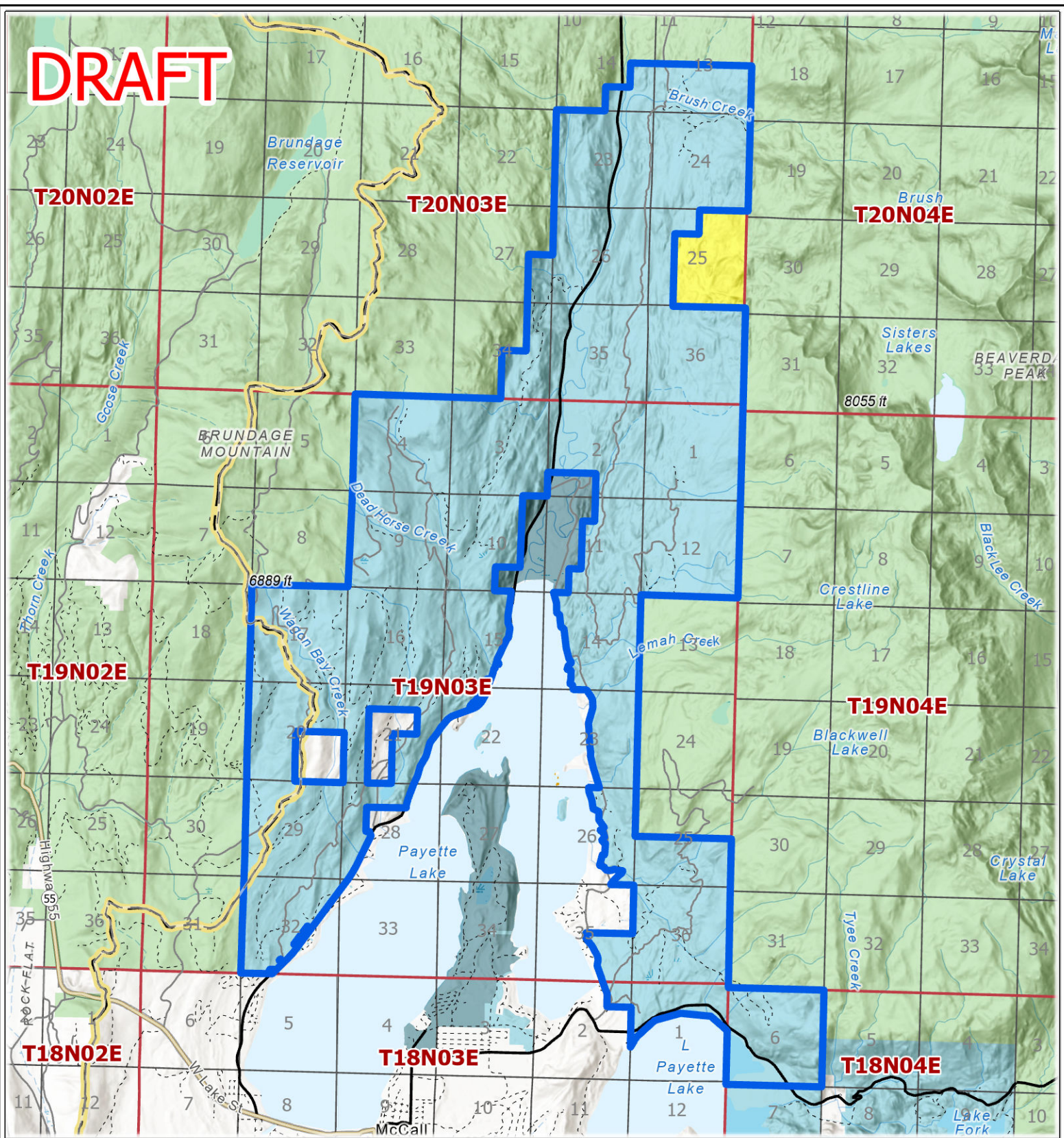
Disclaimer:

This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.

1/12/2026





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- █ Evaluate Exchange to USFS
- PLSS Section
- County Boundary
- Bureau of Land Management
- State Highway
- US Forest Service
- Main; County
- Bureau of Reclamation
- Secondary
- State
- Spur
- Other State
- PLSS Township
- Private

Alternative 1
Payette Lakes Endowment and Forest
Service Lands for Consideration
 DRAFT – For Discussion and Evaluation Only
 Subject to Significant Change
 3/5/2026

0 1 2 Miles

Map Notes

Projection: Idaho Transverse Mercator, NAD 83

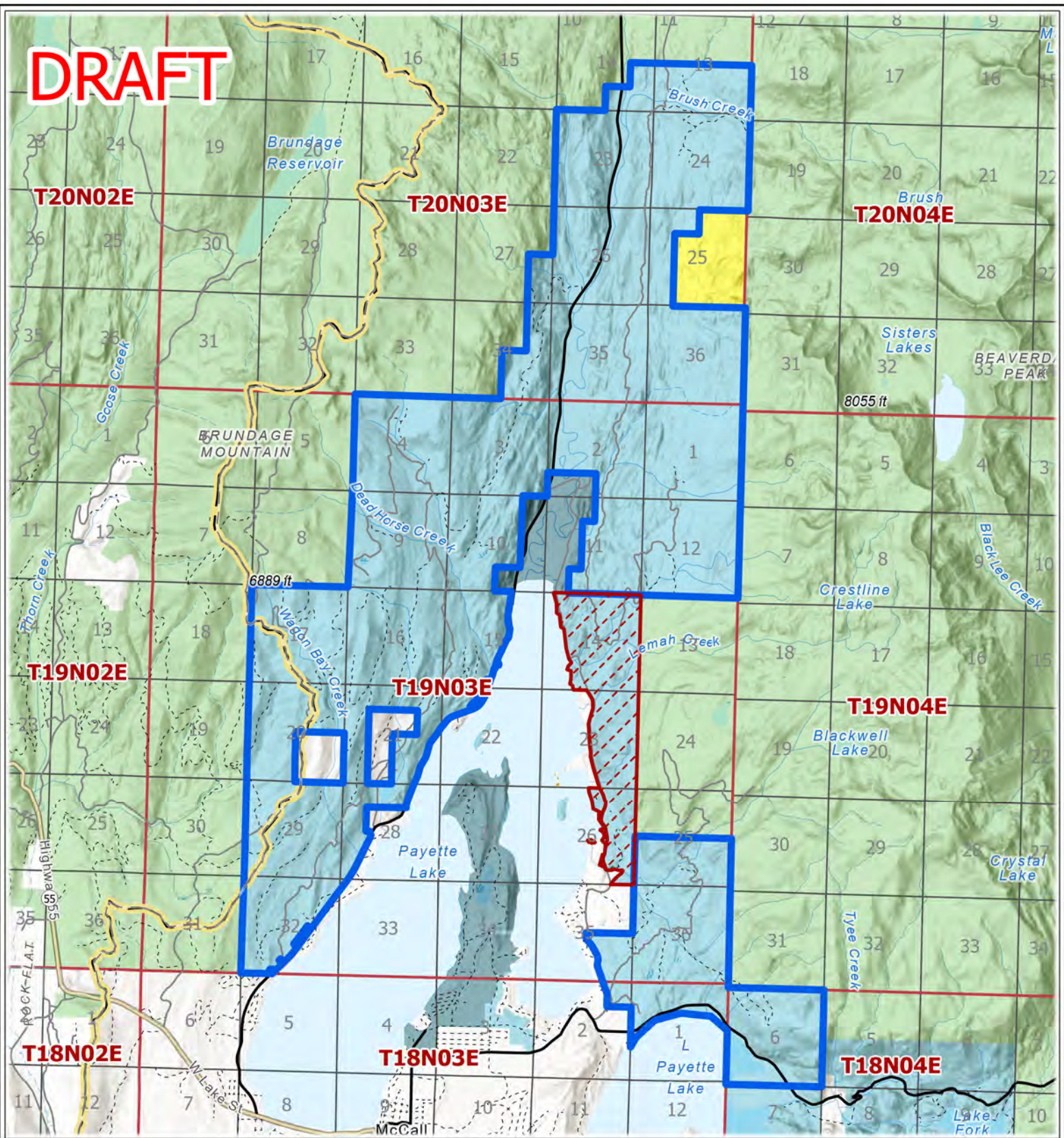
Map Notes and Data Sources

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| Evaluate Exchange to USFS | PLSS Section |
| Exclusion Parcels | Bureau of Land Management |
| County Boundary | US Forest Service |
| State Highway | Bureau of Reclamation |
| Main; County | State |
| Secondary | Other State |
| Spur | Private |
| PLSS Township | |

Alternative 2A
Payette Lakes Endowment and Forest
Service Lands for Consideration
 DRAFT – For Discussion and Evaluation Only
 Subject to Significant Change
 4/1/2026





Map Notes

Projection: Idaho Transverse Mercator, NAD 83

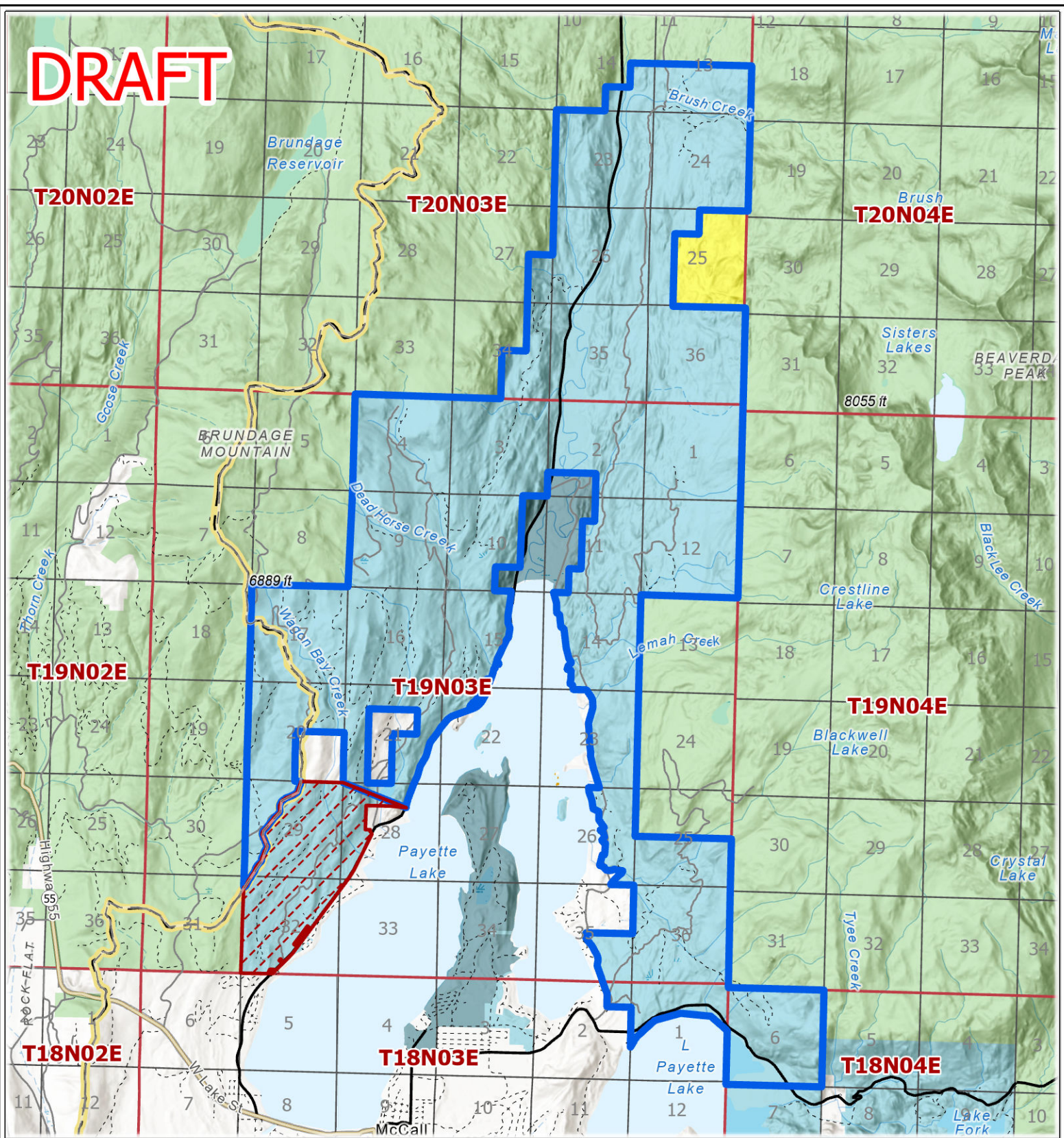
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|---------------------------|---------------------------|
| Evaluate Exchange to USFS | PLSS Section |
| Exclusion Parcels | Bureau of Land Management |
| County Boundary | US Forest Service |
| State Highway | Bureau of Reclamation |
| Main; County | State |
| Secondary | Other State |
| Spur | Private |
| PLSS Township | |

Alternative 3
Payette Lakes Endowment and Forest
Service Lands for Consideration
 DRAFT – For Discussion and Evaluation Only
 Subject to Significant Change
 3/5/2026

Map Notes

Projection: Idaho Transverse Mercator, NAD 83

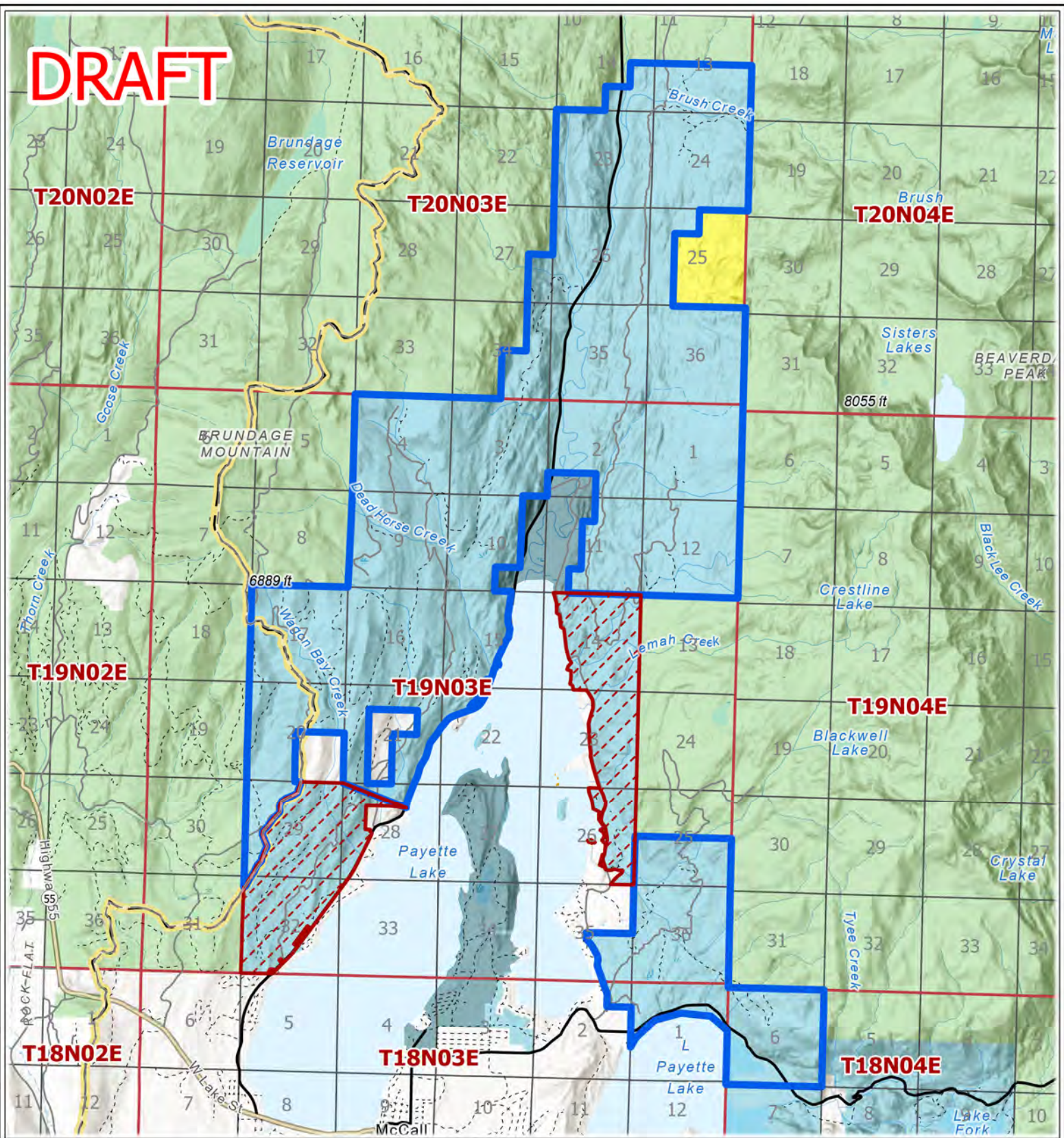
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|---------------------------|---------------------------|
| Evaluate Exchange to USFS | PLSS Section |
| Exclusion Parcels | Bureau of Land Management |
| County Boundary | US Forest Service |
| State Highway | Bureau of Reclamation |
| Main; County | State |
| Secondary | Other State |
| Spur | Private |
| PLSS Township | |

Alternative 4A
Payette Lakes Endowment and Forest
Service Lands for Consideration
 DRAFT – For Discussion and Evaluation Only
 Subject to Significant Change
 4/1/2026





Map Notes
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