

The Idaho Department of Lands (IDL) has written its Payette Endowment Land Strategy plan and issued it for public comment through February 12, 2021. This is a critically important document in that it sets the path forward for managing the McCall area endowment lands for the next 20 years. The Payette Endowment Lands Strategy only considers the endowment lands within the McCall Impact Zone (primarily those that surround Payette Lake) and breaks the lands into 13 parcels for future planning and management. The Plan and the comment tab are located on the IDL website at [Payette Endowment Land | Department of Lands \(idaho.gov\)](https://www.idaho.gov/land/payette-endowment-land). Please take time to review the Payette Endowment Lands Strategy and submit your comments to the IDL before February 12th. Comments will then be provided by the IDL to the State Board of Land Commissioners (Land Board). At the March 2021 Land Board meeting, the Land Board will likely consider approval of the Payette Endowment Lands Strategy. PELA has reviewed the document and has the following for your consideration in commenting.

COMMENT # 1 - Provide a Comprehensive Plan

Problem: Currently, the Payette Endowment Strategy Plan only considers financial goals and a siloed analysis of several individual parcels within this area, which threaten to disrupt continuous areas of state and federal lands that benefit forest management as well as humans and the ecosystem.

Comments:

- The Payette Endowment Lands Strategy should be based on a comprehensive analysis of the McCall area endowment lands as a whole and over the long term. A comprehensive approach whereby all relevant factors are included in the analysis of alternatives and the cumulative effects of parcel by parcel decision making should be used. A broad set of goals should be developed for land preservation, uses, and development.
- Trading or selling these endowment lands and dividing them up into pieces, would sacrifice their long-term value: as an intact ecosystem, as a buffer for the watershed, as a crucial wildlife corridor, as a wildfire barrier, as a refuge for plant and animal diversity, and as a source of resilience insurance in climate chaos.

- Much of the value of these lands derive from them being contiguous and positioned between and adjacent to the lake on one side and the national forest and state park on the other. If the land around the lake is divided, it would also cease to provide long-term value as a source of revenue for beneficiaries from recreation and conservation leases and easements and revenue from potential transfer or sale to the state park or national forest system.

Context: IDL has used a systematic and long-range planning approach in developing the Payette Endowment Lands Strategy Plan, which is good, but the Plan needs to be comprehensive in nature and put the protection of Payette Lake and the watershed front and center as a foundation for its decisions. The cumulative effects of individual parcel decisions must be analyzed in this context. It makes perfect sense for IDL to work in coordination with the other agencies that have jurisdiction over the watershed to ensure alignment in its policies for the ultimate protection of the watershed. A comprehensive plan by IDL would also seek to integrate with the long-term visions of the City of McCall and Valley County as outlined in their comprehensive plans. The ecological limits on any more development, the carrying capacity of the sewer system and the finite amount of land available that can be used for spreading effluent are limitations that must be recognized in any plan. Rapid development may not be supported by sewage capacity. Lastly, the effects on downstream water quality, such as in Lake Cascade, must also be considered through a comprehensive analysis.

COMMENT # 2 - Protect the Public Trust

Problem: The Payette Endowment Lands Strategy is not protective of the public trust, that is the obligations that elected officials have to protect and maintain resources, and bodies of water such as lakes and streams in particular, for all the citizens of Idaho. Focusing only on financial responsibilities could lead to a violation of public trust responsibilities and damage state resources.

Comments:

- Elected officials have a public trust responsibility for water quality. Payette Lake waters are the source of drinking water for the City of McCall, and degrading the quality of these waters represents a direct public health issue. Protecting Payette Lake and its watershed must be a foundation of the Payette Endowment Lands Strategy.
- The critical public trust obligation of Payette Lake and the North Fork of the Payette River watershed water quality as well as other factors including wildlife habitat, wildfire prevention, ecological health, recreational access, angling, and the small mountain town characteristics of McCall merit full consideration in the current Payette Endowment Lands Strategy.

Context: The Payette Endowment Lands Strategy does not mention the importance of the responsibilities of the public trust; that is the waters of and the watershed for Payette Lake, both for the sake of the ultimate value of the "assets" themselves and the life of our community. The highest and best use of the endowment lands bordering the lake is as a buffer for the lake to best ensure water quality. Payette Lake is a public trust obligation of the state. Because it is the sole source of drinking water for the City of McCall, maintaining its quality is certainly a public health issue. That public trust is as important and crucial as providing any amount of money to Idaho educational institutions. The degradation of the waters and the supporting ecosystem -- whether through overdevelopment, misguided land use planning, or management practices that do not take into account the realities of the 21st century-- would result in an irredeemable loss for all of us, the community, the land, our school system, and of course, the trust beneficiaries. All the lands in the McCall area would be greatly reduced in value if the lake were to become polluted and degraded. Therefore, the public trust obligation of protecting the waters of Payette Lake and its watershed should be a foundation of the Payette Endowment Lands Strategy Plan. To further illustrate the vulnerability of Payette Lake, compare its lake surface area and volume, excluding the islands at 7.9 square miles to that of Coeur d'Alene Lake which is 148 square miles and Priest Lake at 40.6 square miles.

COMMENT #3 - Install a Stakeholder Advisory Group

Problem: Given the importance of the McCall area endowment lands to the citizens of McCall, Valley County, and the State of Idaho, there should be a

method for citizens to provide input and support for potential changes to these lands within the Payette Endowment Lands Strategy.

Comments:

- The Land Board should support the creation of a stakeholder advisory group to provide input to IDL Payette Lakes Supervisory Area personnel for the McCall area endowment lands. The stakeholder advisory group should be a sincere, long-term effort to engage the community and provide local stakeholders-- who know these lands best-- the opportunity to collaborate in finding appropriate solutions that will also satisfy the Land Board's duties to the endowment trust.
- The McCall area endowment lands are important to the citizens of Idaho, and the Payette Endowment Lands Strategy will undoubtedly serve as a template for endowment lands throughout Idaho. Therefore it is important to spend the time and effort necessary to get it right. The moratorium on transactions involving endowment lands in the McCall/Valley County area should be extended as necessary to allow this stakeholder group to be formed and provide input.

Context: The Land Board and IDL should form a local stakeholder advisory group consisting of representatives from the City of McCall, Valley County, the Sewer District, Payette Forest, the State Park, Big Payette Water Quality Council and other stakeholders to provide advice and recommendations on the McCall area endowment lands. The purpose of this group would be to provide input on the development and uses of the McCall area endowment lands to the IDL. A stakeholder advisory group would minimize conflict, foster creative solutions for generating additional revenue from these lands from the local stakeholders who are most familiar with them, and ultimately garner widespread support for the plan that grows out of this process.

COMMENT # 4 - Prevent a Wholesale Land Trade

Problem: Currently, a private party has made and aggressively marketed an unsolicited proposal to acquire most of the McCall area endowment lands within the Impact Area and adjacent to it in exchange for timber lands in north Idaho. Any large-scale land transfer would lead to more development than the lands can handle, put too much control in the hands of one private

party, and is inconsistent with the framework and process denoted in the Payette Endowment Lands Strategy.

Comments:

- Any wholesale trade or sale of the McCall area endowment lands for future private development would harm the endowment fund beneficiaries and the citizens of Idaho and overwhelm the ecological capacities of the land and waters in the McCall area, and we oppose any wholesale trade or sale.
- It has been discussed to trade northern Idaho timber lands potentially worth around \$45 million for the endowment land in McCall worth more than \$1 billion. Clearly, engaging in such a trade would represent a complete repudiation of the Land Board's fiduciary duties, be a violation of the Idaho constitution, would not secure the maximum long term financial return to the endowment trust and institutions, and represent a huge loss to Idaho education.
- IDL should develop a comprehensive plan in the Payette Endowment Lands Strategy that IDL and the Land Board can rely upon and be bound by in evaluating future proposals for development and transactions related to these lands, and future proposals outside the boundary of this plan should be rejected.

Context: Any wholesale trade or sale of McCall area endowment lands is not in the best interests of the endowment institutions, the citizens of Idaho, or the public trust.

COMMENT # 5 - Implement Land Conservation Solutions

Problem: The Payette Endowment Lands Strategy provides a limited set of solutions to meet financial revenue goals of transition endowment lands. However, the revenues that could derive from conservation and recreation options, such as leases, license fees, and easements, as well as other solutions that bring in revenues while honoring the health of the lands, waters, and ecosystem have not been developed by the IDL.

Comments:

- IDL should work with the stakeholder advisory committee to fully explore creative solutions that will yield revenues from the endowment lands, which honor the health of the lands, waters, and ecosystem.
- IDL should continue to evaluate legacy programs such as logging, grazing, and mining while analyzing new methods of deriving revenues that are consistent with the 21st century, including the warming climate, increasing fires and blights in our forests, population growth, and the growing scarcity of undeveloped land.
- An asset class and business program similar to what has been developed for forestry and grazing should be developed for conservation and recreation leases and easements to support implementation to raise additional revenues on these lands. The Land Board should provide assurances that leases/easements would be legally secure.

Context: The Payette Endowment Lands Strategy should include that IDL will develop a new conservation/recreation program specific asset class and business plan to help guide the individual programs and management on endowment lands. Implementing conservation and recreation types of leases that can overlay forestry, grazing and mining leases already in place would add significantly to revenues for the endowment trust and close revenue gaps. Endowment lands that meet a competitive rate of return should be managed in the manner that provides this return for the long-term in accordance with the Payette Endowment Lands Strategy. Endowment lands that do not meet the competitive rate of return should be given ample opportunity to enhance their revenue streams before being considered for sale or trade. Lands should also be considered for transfer to Ponderosa State Park for management. A good example would be Cougar and Shellworth islands, the pearls of Payette Lake. These islands are primarily rock, and not well suited for septic sewage systems, and development would severely threaten the water quality of Payette Lake.

COMMENT #6 - Perform Thorough Economic Analysis

Problem: The need for the Land Board and IDL to consider costs as well as benefits in relation to any proposed transactions or major management decisions regarding endowment lands is unclear in the Payette Endowment Lands Strategy.

Comment: When the Land Board and IDL are making determinations about management and transactions regarding endowment lands, they should consider not just the benefits in terms of revenue but also the long-term costs that would result from their decisions.

Context: The Idaho Constitution requires the Land Board to “secure the maximum long term financial return” from the endowment lands. The State can not judge long-term gains from transactions if it fails to consider the costs as well as the benefits. Failure to adequately evaluate and address long-term costs will cause the problems we have seen recently, such as with the installation of cell towers in locations where they will likely depress surrounding property values and thus deprive schools of tax money. By failing to adequately evaluate costs, the Land Board and IDL also risk maximizing conflict and losing public confidence and support. Any financial benefit the state might receive from selling off property around the lake should be balanced by the long-term costs that would be engendered by the degradation of the lake due to overdevelopment. These costs include decreased property values, losses in recreational dollars including sales tax, potential loss of the current drinking water supply for the City of McCall (due to the water not meeting state drinking water standards), and the resulting need to clean the lake and downstream waters such as Lake Cascade and the North Fork of the Payette River.

COMMENT # 7 - Align Idaho Constitution and Stewardship

Problem: The Payette Endowment Lands Strategy is limited by the interpretation of the Idaho constitutional language in Article IX, Section 8, which seems increasingly out of alignment with current reality and public needs.

Comment: The economic value of Idaho endowment lands are dependent on sound, long-term stewardship. This stewardship includes protecting and sustaining the health of the lands and adjacent waters, the viewsheds, the ecology, open space, and wildlife habitat. The Land Board should exercise its discretion, and direct IDL to act, to the full limits of its Constitutional authority so that management of the endowment lands becomes aligned with these values and with the IDL's own vision, mission, and values to meet the realities and needs of the 21st century.

Context: The stated vision of the IDL is to be the premier organization for trust management and resource protection in the western United States. Its stated mission is to professionally and prudently manage Idaho's endowment assets to maximize long-term financial returns to public schools and other trust beneficiaries and to provide professional assistance to the citizens of Idaho to use, protect, and sustain their natural resources. Also, in the IDL Strategic Plan Structure, IDL incorporates stewardship as a value, stating "Making decisions and taking actions that positively affect long-term financial returns for the trust beneficiaries and enhance the health and resilience of Idaho's natural resources." The State's obligations to protect and sustain resources and act as good stewards of the lands should be considered when choosing how to secure the maximum long-term financial return for the endowment.

COMMENT #8 - Do Not Exacerbate Economic Divisions

Problem: Desirable land is becoming scarce with growing populations and technology that empowers primarily high-income workers to work remotely attracting people to Idaho, and development threatens to limit access to these lands to only the wealthy.

Comment: State-owned lands should be retained to allow access to all and prevent growing economic divisions in our community and society.