

Date: April 15, 2008

RE: Recreational land lease data from Priest Lake, Idaho

FROM: Compiled by the Cabin Coalition 2

*Priest Lake Idaho, is located in the northern most portion of the Idaho Panhandle with the northern end of the lake extending north to within 15 miles (24 km) of the Canadian border. The history of the lake dates back almost 10,000 years to the end of the last ice age. After the vast glaciers that covered most of the area receded and vegetation started to re-grow, humans started to resettle the area. This is evident from historical artifacts found in the area and ancient rock art along the lake.*



Most of the land on the east side of the lake is owned by the State of Idaho and managed by the Idaho Department of Lands (IDL) while the west side is predominately federal land managed by the Priest Lake Ranger District. There are approximately 350 state leases and 127 federal leases in the Priest Lake area, the majority of which are lakefront properties.

A limited number of secondary deeded properties and even fewer deeded lakefront properties are normally available for purchase. Since there is a very limited amount of privately owned deeded land, many parcels are bordered on at least one side by federal or state land. This effectively limits development in the area.

The Cottage Site Program provides oversight for the management of residential leasing on State Endowment Lands. Originally, residential leasing was identified as the highest and best use for valuable lakefront properties at Priest Lake and Payette Lakes. Over time, other locations have also been developed for this purpose. Generally, residential lots owned by the state are leased to generate revenue for the endowed beneficiaries. Lessees are allowed to place improvements on the land, such as houses and cabins, with the prior approval of the state.

The current lease rate for Idaho state lands is 2.5% of appraised value. In 2007 an attempt to sell leases at a 5% rate, for very desirable lake front parcels, failed to receive any bidders. This attempt to raise the rate from 2.5% to 5.0% was the result of a survey presented to the Idaho State Board of Land Commissioners in January 2007. It was called the Residential Site Leasing Rate Survey. The survey concluded that State Endowment Land funds could be increased by raising lease rates and changing several other practices. The failed auction contradicts the conclusions of the Survey. The state of Idaho is currently reviewing their residential leasing policies on State Endowment Lands.