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October 10, 2013

The Honorable Grant Burgoyne
Idaho House of Representatives
2203 Mountain View Dr.
Boise, ID 83706

Sent via e-mail to gburgoyne@house.idaho.gov

Dear Representative Burgoyne,

Thank you for your e-mail from Sept. 24, 2013, requesting follow up information from the August meeting of the Federal Lands Interim Committee in Boise.

You asked for the Idaho Department of Lands' (IDL) per-acre costs of Phase I environmental assessments, for the purpose of trying to determine the potential cost of conducting Phase I environmental assessments on more than 16 million acres that could transfer to State ownership as a result of legislation crafted under assumptions similar to Utah House Bill 148.

As a matter of practice the IDL always requires these assessments to be conducted on any land slated for acquisition as part of the due diligence process. The IDL can provide an example from one of the most recent Phase I environmental assessments ordered for a proposed land exchange involving timber lands. The IDL hired an environmental engineering company to quote the cost of performing a Phase I environmental site assessment on 336 parcels ranging from 40 to 640 acres and averaging 200 acres per parcel. The total acreage included in the quote was 70,000 forested acres.

The company quoted \$118,100 to conduct this work, which comes to about \$351 per parcel or \$1.69 per acre for forested lands. The cost per acre for Phase I environmental assessments decreases as the number of acres in the assessment increases.

Please note that environmental assessments conducted on forest lands vary from those conducted for rangelands. The IDL stated 16.4 million acres of land currently owned and managed by the federal government could transfer to State ownership under a bill with similar assumptions to Utah House Bill 148, but only 6.9 million acres of those are forested lands. Also, the company employed a process that uses a GIS based project management tool that speeds up the process. This allows the firm (and the client) to see real-time progress of the research component and identify problem parcels that may need a closer look or Phase II assessment. This way, IDL does not have to wait for the final report to perform Phase II assessments or rule out certain parcels. The quoted price assumes only 10 percent of the parcels require a closer look.

Given all this information, I believe one could assume it would cost roughly \$1 per acre to conduct Phase I environmental assessments on 16.4 million acres of federal land, or about \$16 million.

You also asked for the “total fair market value of the 16.4 million acres of federal land.” The IDL has no information to share in response to this request.

If that information is not available, you stated you “would like information about the per acre fair market value of Idaho endowment lands which are the same or similar to the 16.4 million acres of federal lands,” even an “average value” if that was available.

The IDL carries out indexing every year on all asset types and conducts a mass appraisal of our lands by asset type and geographic area every five years. The 2013 indexed values for endowment forest lands range from \$600 to \$1,600 per acre, depending on timber volume, access, terrain and a number of other factors. The average 2013 indexed value for grazing land (the average value of endowment rangelands in southern Idaho) are approximately \$800 per acre.

Please note that rangelands and timber lands owned by private entities and the State of Idaho generally are regarded as more valuable than federal lands because they are roaded and actively managed so less susceptible to fire risk and infestations of insects and disease.

Thank you again for your requests and please let me know if you have any other questions.

Sincerely,

A handwritten signature in blue ink that reads "Thomas M. Schultz, Jr." in a cursive script.

Thomas M. Schultz, Jr.
Director

Cc: State Forester David Groeschl
State Board of Land Commissioners