STATE BOARD OF LAND COMMISSIONERS

October 20, 2026
Regular Agenda

Subject

Final Approval of the Grangeville Land Exchange

Question Presented

Shall the Land Board authorize the Department to complete the Grangeville land exchange and approve the use of land bank funds to offset the difference in value?

Background

In April 2026, the Department received an application for a land exchange from ID Real Estate, LLC. The proposed exchange would trade a .56 acre parking lot (Endowment Land) in downtown Boise in Ada County with a split ownership by Normal Schools (66%) and State Hospital South (34%) for approximately 16 acres of commercial land with improvements in Grangeville in Idaho County (Grangeville Land). Maps of the subject properties are included as Attachments 1 and 2.

On April 28, 2026, Department staff presented the proposed exchange to the Idaho County Commissioners, and on May 11, 2026, to the Ada County Commissioners. Both Boards acknowledged the information presented and expressed support of the proposed land exchange.

At the May 2026 meeting, the Land Board authorized the Department to complete due diligence on the proposed exchange (Attachment 3).

The Department initiated due diligence including but not limited to:

- Title commitments and encumbrance review
- Environmental Site Assessments
- Member of the Appraisal Institute (MAI)- certified appraisals and appraisal reviews
- Building inspections
- Surveys
- Access review
- Neighbor and permittee notifications
- Third-party review by land board advisor Heartland, LLC (Heartland) (Attachment 4)

Discussion

This proposed land exchange is expected to improve the long-term value to the endowments primarily, but also to Idaho, through:

- Acquisition of commercial real estate with value equal to or greater than the real estate to be disposed.
- Future lease income aligned with the asset value.
- Enabling effective fire protection for endowment timberland.
- Avoiding the need for construction of new fire facilities in the region.

In contrast, the endowment parcel proposed for disposal:

- Produces revenue that is not aligned with the asset value.
- Likely has a higher and better use through development opportunities.

The appraised value of the Grangeville Land is $4,510,000 while the Endowment Land has an appraised value of $3,781,000, with both appraisals completed in June 2026 by Langston & Associates, Inc., of Boise. Each appraisal was then reviewed by Mountain States Appraisal, LLC, of Boise. The exchange would require expenditure of $729,000 of Land Bank funds from Normal Schools ($481,140) and State Hospital South ($247,860) to achieve equal value.

Heartland has reviewed the due diligence materials and evaluated the exchange for alignment with the Land Board exchange policy. Heartland specifically reviewed the exchange for the net benefit to the endowment. Their analysis (Attachment 5) showed that the Endowment Land is expected to appreciate at a greater rate with resulting greater net present value from appreciation. However, the Grangeville Land produces greater income and begins with a higher value, resulting in greater total net present value to the endowment.

The Endowment Land has two permits for parking spaces which would be terminated if the exchange were completed. The permit holders have been notified of that possibility.

The Department would secure parking on the site for at least 4 years through agreement with the exchange proponent. This is acknowledged in the proposed land exchange agreement (Attachment 6).

If the Board approves the exchange, the Department would execute a substantively similar land exchange agreement.

Recommendation

Approve the exchange and direct the Department to complete and close the as-proposed Grangeville land exchange, including using land bank funds to offset the difference in value.

Board Action

Attachments

1. Grangeville Land Map
2. Endowment Land Map
3. May 19, 2026 Approved Memo
4. Heartland, LLC Due Diligence Review
5. Heartland, LLC Long Term Value Analysis
6. Draft Land Exchange Agreement