

**DEPT. OF LANDS****SEP 07 2021****BOISE, IDAHO**

September 7, 2021

Via Hand Delivery

Dustin T. Miller, Director  
State Board of Land Commissioners  
Idaho Department of Lands  
Real Estate Services Bureau  
300 N. 6th Street, Suite 103  
PO Box 83720  
Boise, ID 83720-0050

Re: *Application for Land Exchange from Trident Holdings, LLC*  
Request for Rescission and Contested Case Hearing

Dear Director Miller:

I write on behalf of Trident Holdings, LLC (“Trident”). Trident’s request for land exchange was denied on August 10, 2021. Trident requests that the State Board of Land Commissioners rescind that denial, exercise the authority granted to it under Idaho Code § 58-122, and hold a contested case hearing in order to aid the Board in further consideration of Trident’s requested exchange.

In support of this request for rescission and contested case hearing, Trident offers several documents enclosed herewith. These documents chronicle several concerns related to the process by which Trident’s request for land exchange has been assessed, inaccuracies and peculiarities within the calculation underlying the denial of Trident’s requested exchange, and recently uncovered evidence indicating preexisting and sustained bias against Trident’s request by those within the Department of Lands tasked with its assessment.

Please note that Trident’s interpretation of applicable statutes and regulations concludes that the denial of its requested land exchange is a final agency action subject to judicial review. Trident was therefore compelled by the rapid approach of statutory deadlines despite contrary preference to file a petition for judicial review in order to preserve all available rights and remedies. However, Trident will seek to stay judicial review during the pendency of your consideration of this request and ongoing informal efforts toward mutually agreeable resolution.

Thank you, in advance, for your consideration.

Dustin T. Miller  
September 7, 2021  
Page 2

Sincerely,

A handwritten signature in blue ink, appearing to read "Nicholas A. Warden". The signature is fluid and cursive, with the first name being the most prominent.

Nicholas A. Warden

- enc: Ex. 1 - Letter from Trident in Response to Exchange Denial  
Ex. 2 - Public Comment from Joshua Purkiss Advocating Against Public Land Exchange  
Ex. 3 - Joshua Purkiss Idaho Rivers United Membership  
Ex. 4 - Letter from Idaho Rivers United Advocating Against Trident Exchange  
Ex. 5 - Joshua Purkiss Land Appreciation Spreadsheet

DEPT. OF LANDS

SEP 07 2021

BOISE, IDAHO

# **EXHIBIT 1**

**September 7, 2021**

**Trident, LLC Request for Rescission  
and Contested Case Hearing**



August 13, 2021

The Honorable Brad Little  
Governor of Idaho  
700 W. Jefferson St.  
Ste 228  
Boise, ID 83720

Re: Preserve McCall Land Exchange Application

Dear Governor Little,

This letter, also sent by separate address to each of your fellow Land Commissioners, is in response to the August 10, 2021, letter from Bill Haagenon to Alec Williams rejecting Trident Holdings LLC's "Preserve McCall" application for a land exchange surrounding Payette Lake in Valley County. Enclosed is a copy of that letter along with comments regarding its contents and the flawed data it includes. Preserve McCall has concerns regarding the Idaho Department of Lands' ("IDL") refusal to process Preserve McCall's application and, without exception, we disagree with the misled reasons that IDL staff gave for the dereliction of their duty as well as the bizarre factual assertions IDL's letter contains regarding the Preserve McCall proposal.

Specifically, we request you address the unexplainable 915% increase in IDL's estimated land value—from roughly \$40 million in March to between \$366 million and \$488 million now—by inquiring about IDL's value assertions, examining the process failures outlined below, and redirecting IDL to commission an independent third-party appraisal and split costs with applicants.

We are asking for your help to bring transparency and accountability to this process.

### **Application and Silence**

Preserve McCall submitted its application to IDL on February 8, 2021, and immediately upon submission, requested an audience with IDL staff. Preserve McCall's request was in response to a directive by Scott Phillips, IDL's Policy and Communications Chief, to get in touch with him immediately following the application's submission to ensure that all parties were following its progress and were synchronized in tracking its advance. For weeks following the application's submission, Preserve McCall made numerous attempts to schedule further discussions and received no response from IDL.



On March 16, 2021, the Idaho State Board of Land Commissioners (the “Land Board”) resolved to have IDL process land exchange applications and hire third-party experts as necessary, sharing the cost of these experts with applicants. Since that meeting, IDL has rejected every opportunity to process Preserve McCall’s application according to its Land Board mandate.

### **One Meeting, No Numbers**

Finally, on July 7, 2021, IDL staffer Josh Purkiss reached out to Preserve McCall’s legal counsel to discuss a question Mr. Purkiss had regarding legal descriptions in the schedules attached to the exchange application. During that discussion, Mr. Purkiss expressed concern that the valuation proposed by Preserve McCall and IDL’s own internal valuation were off by multiples. Mr. Purkiss cited values given to IDL by Mark Bottles, the auctioneer seeking to sell the islands in Payette Lake to private parties. We requested a meeting between IDL staff and Preserve McCall staff to discuss preliminary work Preserve McCall had performed to obtain values for the identified parcels, as well as additional raw data that the IDL may want in its consideration of the application. IDL staff and Preserve McCall staff held a conference on July 14, 2021. The highlights from that meeting are as follows:

1. In the planning of this conference, IDL staff expressed concern regarding being seen with associates of Preserve McCall and was wary to meet in person.
2. IDL staff, specifically Jim Elbin, expressed a personal grievance with Preserve McCall’s overall approach to its application in that Preserve McCall did not first meet with him in order to learn his opinion of what should become of endowment lands surrounding Payette Lake. This fact was surprising in light of the fact that Preserve McCall had held numerous meetings with Ryan Montoya, a staffer who is no longer with IDL, throughout the year prior to submitting its application.
3. IDL staff asserted that it was not inclined to continue processing Preserve McCall’s application because of a disparity in value between the endowment lands and the the timberlands Preserve McCall proposes to exchange. IDL did not have a number for the value it asserted for the endowment lands, but stated if it did, it would be somewhere between \$120 million and \$160 million. Despite spending months prior to this conversation on the Payette Endowment Land Strategy (“PELS”), which concluded in a value very close to what Preserve McCall set forth in its application, staff now reversed course, stating that the PEELS value was intended for leasing only and not for disposition. This fact directly contradicts months of work staff did in valuing these lands for disposition according to PEELS. Mr. Purkiss supported his assertions with the fact that Mark Bottles believes various of these parcels, including at least the islands and Parcel G, actually have values into the tens of millions. Staff also stated that it had no way to know true value without an appraisal. Mr. Purkiss summarized that the Preserve McCall application did not pass his smell test, and that his smell test was enough for denying the application.



4. Having established that the parties were facing a gap between believed values, Preserve McCall proposed a second meeting to review information in possession of each party (comparable sale values from IDL, and a broker's opinion of value from Preserve McCall), as well as to discuss the scope of an appraisal to be commissioned by IDL and paid for by Preserve McCall.

5. It is worth noting that it has since come to our attention that IDL had received its recommendation from Mason, Bruce & Girard ("MB&G") prior to our first meeting. Despite that firm's making clear that an analysis could not take place without additional specific information regarding the exchange parcels, all of which Preserve McCall had available, IDL did not request any of this data. When Preserve McCall offered additional information, IDL staff stated that additional information was unnecessary to their analysis, or that they somehow already had it. Confoundingly, it appears IDL did not provide this information to their advisors, in particular MB&G.

6. Before this meeting ended, the parties scheduled a follow up meeting for the afternoon of July 20, 2021, at the Hoff Building in Boise. IDL postponed that meeting to an unnamed future time.

On July 22, 2021, Mr. Purkiss called Preserve McCall's legal counsel and stated that IDL would not meet with Preserve McCall to discuss the application until it has completed its analysis. Mr. Purkiss had no explanation for how IDL would complete its analysis without the data it said it required, but said that the mandate to no longer meet with Preserve McCall came from "management."

### **IDL, the "Business"**

On August 10, 2021, Bill Haagenon sent the enclosed letter to Preserve McCall rejecting its application. On August 11, 2021, Preserve McCall's legal counsel had a telephone meeting with Mr. Purkiss and Mr. Elbin regarding the contents of the letter and Preserve McCall's surprise at the values and assertions contained in the letter. Specifically, we pointed out that both of IDL's third-party contractors requested additional information and an appraisal, both of which Preserve McCall offered to IDL. Instead, the only raw data IDL provided to these consultants was the information it fabricated on its own. We pointed out that IDL's comparable sales values were clearly wildly different from the endowment lands Preserve McCall proposes to exchange. During this discussion, Mr. Elbin repeated his personal objections to the approach Preserve McCall had taken to submit its application, stating that Preserve McCall should have sat down with Mr. Purkiss and Mr. Elbin prior to initiating any discussion with Land Board staff, who, according to Mr. Elbin, "don't know our process." Mr. Elbin represented that Land Board members, through their staff, had each approved IDL's rejection of Preserve McCall's application and IDL's \$366 million to \$488 million valuation of the Payette area lands, stating, "It has been fully vetted throughout IDL leadership, land board staff, and land board members." Clearly, this action would require a duly-noticed meeting of the Land Board and cannot be made



on the fly. Mr. Elbin then denied that the Land Board had directed IDL to work with Preserve McCall on hiring third-party experts and stated that the Preserve McCall application was “shoved down our throat.” Despite the clear language of the Land Board’s motion, staff stated that the Land Board’s instruction simply was not their process, and that IDL was not obliged to proceed as the Land Board directed. Instead, staff asserted that IDL is really a business and must be run as one. Mr. Purkiss pointed out specifically that he did not like the public scrutiny that this process had brought to IDL’s work, and also did not appreciate the political nature of the application process.

### **Request for Appraisal**

In summary, I ask that you read our comments to IDL’s letter closely. Please take note of the odd mathematical contortions IDL endures to justify its political decision. Preserve McCall still seeks to pay for an appraisal of the Payette endowment lands, but in the interest of transparency and fairness, this appraisal must be commissioned by IDL.

We invite the Land Board and IDL to participate in this process in order to establish a reliable baseline of value for these parcels. We hope you will rescind this letter from IDL and address these issues with IDL staff at the August Land Board meeting. We would be more than happy to present at that time if that is your request. Preserve McCall looks forward to discussing where this process fell short and how to best address the many challenges facing the Land Board and residents of Valley County in the management and disposition of these lands.

We are eager to get back on track with our efforts to maximize endowment returns, address the area’s need for local housing, and create Idaho’s largest park.

Sincerely,

Alec Williams

Cc: Mr. Zach Hauge, Chief of Staff  
Ms. Bobbi-Jo Meuleman, Deputy Chief of Staff and Director of Intergovernmental Affairs  
Mr. Brady Hall, General Counsel to the Governor  
Mr. Sam Eaton, Director of Policy, Assistant Legal Counsel  
Mr. Nate Fisher, Jr., Special Assistant, Intergovernmental Affairs  
Mr. Dustin Miller, Director, Idaho Department of Lands  
Mr. Scott Phillips, Policy and Communication Chief, Idaho Department of Lands

Enclosure: Letter from Bill Haagenon to Alec Williams dated August 10, 2021, with proponent’s comments

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STATE BOARD OF LAND COMMISSIONERS  
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*Sherril Yearns, Sup'l of Public Instruction*

August 10, 2021

Mr. Alec Williams 802 W. Bannock St. Ste. 207  
 Boise, ID 83702

Re: Trident Holdings LLC Proposed land Exchange Application Dear Mr. Williams:

On February 8, 2021 the Idaho Department of Lands ("IDL") received Trident Holdings LLC's ("Trident") application for a land exchange associated with approximately 21,378 acres of state endowment land (Endowment land) located around Payette lake in Valley County, Idaho. Trident proposed to trade 21,248 acres of timberland located in four different counties ("Proponent's land") for the Endowment Land.

IDL staff has reviewed the proposed exchange, and recommends rejecting the application based on the following factors:

1. Even after assigning higher market value to the Proponent's land than the comparable transactions justify, the market value of the Endowment land far exceeds the value of the Proponent's land.
2. The Endowment Land is appreciating at a rate that exceeds the appreciation of the proponent's land, more than offsetting any potential revenue gains from the exchange.
3. The exchange would not block up endowment ownership; instead, it would likely increase management cost and complexity.
4. The exchange would not significantly improve access to endowment lands; in the case of some of the proponent's parcels, the cost of access would likely increase.
5. Third-party advisors do not support proceeding with the potential exchange.

Based on the data provided, I concur with IDL's recommendation, and IDL is denying your request for a land exchange.

Respectfully,

Bill Haagensen  
 Deputy Director of the Department of Lands

Sent Certified Mail - Return Receipt Requested - 7016 1370 0000 2329 2959

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PM: We are unaware how IDL came to this value of 21,378 acres. Preserve McCall's application contains 20,250,079 acres of endowment lands.

PM: IDL's value estimates are wrong for a very simple, but avoidable reason. They used infrastructure-served comps, then multiplied those high per acre values by the total 21,000 bare land acreage. One can validate this is true by the asking: what are the development costs IDL assumes will create this \$488m of gross land value? No development costs are shown in this letter.

For relevant context on IDL's \$488m valuation: Park City plus The Canyons resorts combined sold for \$487m in 2014. That high value is because the owners had already invested significant capital into their land and businesses. IDL is assuming in Valley County that those development costs have already been paid to provide the types of roads, infrastructure, and services (which exist for their comps) across all 21,000 Payette acres. That's obviously not reality.

PM: How was IDL able to verify the appreciation on the proponent's lands without knowing what's on them? Refusing stand level inventory information offered by the proponent makes this assertion impossible.

On the Payette side, IDL used three years of residential growth in McCall, capturing just the COVID rise and none of the historical McCall growth rates longer term, for existing neighborhood properties (not larger acreage listings) and assumes those new high growth rates will continue in perpetuity. That is, to say the least, not industry practice.

To help understand the scale of impropriety in using these appreciation rates, when applied to IDL's own estimated land values, here is a breakdown of how long it will take IDL's gross bare land value estimate for Payette to surpass Idaho's 2020 GDP of \$74.08 billion using these growth rates:

IDL's gross land value estimates	IDL's appreciation rates	Years until Payette bare land surpasses Idaho's \$74B GDP
\$ 488,458,800.00	28%	20.3
\$ 488,458,800.00	24%	23.3
\$ 488,458,800.00	13%	41.1
\$ 488,458,800.00	11%	48.1
\$ 488,458,800.00	6%	86.2
\$ 366,344,100.00	28%	21.5
\$ 366,344,100.00	24%	24.7
\$ 366,344,100.00	13%	43.4
\$ 366,344,100.00	11%	50.9
\$ 366,344,100.00	6%	91.1

PM: The very purpose for proposing dozens of different parcels in North Idaho adjacent to existing endowment timberlands was to block up those already disparate endowment parcels that already have high management costs and complexity, but also higher timber revenues. This is not a new characteristic created by this exchange that would afflict the endowment, but rather an existing problem (unmentioned in this letter from IDL) that our exchanges help mitigate. Referring to these new disparate parcels as "increasing management costs" is untrue. Management costs are higher across disparate properties, but that's not a characteristic this exchange creates, but rather improves.

One way to prove this would be to show what the cost estimates on each side for the exchange really are. Why are no numbers shown on what those management costs are, for either side of the exchange's parcels?

61% of proposed timberland parcels are adjacent to endowment lands.

PM: Analyzing adjacency (what IDL performed here) is not the same as improving legal or physical access to existing endowment lands. When we have offered to share legal and physical access information that would benefit other endowment parcels with IDL, we have been told that information is unnecessary.

Does not identify which parcels would increase access costs. We are unaware of these increases.

PM: The third-party advisors said they were unable to make final recommendations without full information. That information was offered by the proponent, and rejected by IDL. Third-party advisors DO recommend, however, conducting an independent third-party appraisal. Neither third party advisor validated, nor mentioned in their letters, the \$366-488m land values suggested by IDL. Why not?

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STATE BOARD OF LAND COMMISSIONERS  
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Sherri Ybarra, Sup't of Public Instruction

**MEMORANDUM**

**TO:** Dustin Miller, Director of the Department of Lands **FROM:** Joshua Purkiss, Real Estate Services

Bureau Chief **DATE:** July 28, 2021

**SUBJECT:** Trident Land Exchange Review and Recommendation

**Summary**

The Idaho Department of Lands ("IDL") received an application for a land exchange from Trident Holdings LLC ("Trident") dated February 8, 2021, in which Trident proposes to exchange ±21,378 acres of endowment land ("Endowment Land") for ±21,241 acres of privately-owned timberland. This memo responds to the application and summarizes the analysis completed, including the following: a study of the fee simple market value, revenue produced off the land, consolidation of state endowment land, potential long-term appreciation, creating access, and third-party analyses.

IDL's Real Estate Services ("RES") Bureau recommends rejection of the proposed exchange based on factors identified during this review:

1. Even after assigning higher value to the land Trident is proposing to exchange to the State ("Proponent's Land") than the comparable transactions justify, the value of the Endowment Land far exceeds the value of the Proponent's Land.
2. The Endowment Land is appreciating at a rate that exceeds the appreciation of the Proponent's Land, more than offsetting any potential revenue gains from the exchange.
3. The exchange would not block up endowment ownership; instead it would likely increase management cost and complexity.
4. The exchange would not significantly improve access to endowment lands; in the case of some of the Trident parcels, the cost of access would likely increase.
5. Third-party advisors do not support proceeding with the potential exchange.

**Analysis**

**Market Value:** The Real Estate Services Bureau has arrived at an estimated value for the Endowment Land (Table 1) as well as the Proponent's Land; however, there was not a formal appraisal on either property. This analysis values the endowment land at \$366,344,100 and the Proponent's Land at \$74,343,500. With this in mind, the methods used to arrive at the estimated values were conservative when valuing the Endowment Land and generous when valuing the Proponent's Land. Examples of this include attributing an average discount of twenty-five percent (25%) to the Endowment Land for

PM: PM offered numerous times to pay for an appraisal, and indeed has in hand a broker's opinion of value, which IDL never requested.

PM: Why is the Department using "generous" and "conservative" methods of valuation?

They should use fair, economically sound assumptions on both side of the valuation.

PM: Why is developer's profit considered in bare land value? A profit would only be possible after significant capital was invested to bring infrastructure to the land. No profit can be considered if required costs are not considered.

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developer's profit that would be associated with a transaction of this size, and crediting the proponent's own estimated value of their land with an additional thirty-five million dollars (\$35m) based on the comparable sales. IDL's estimate of the Proponent's land is one hundred eight-nine percent (189%) of the value estimated by Trident.

If the potential exchange were to proceed, IDL would not expect that to be the final value of the Proponent's Land. IDL used this generous approach to valuation to ensure that Trident's application was given fair consideration. In addition, the RES Bureau's analysis was reviewed by CenturyPacific LLC to verify the RES Bureau's approach for establishing land values on a large scale.

**Tier Maps:** (Attachment 1) Both Payette Lake and the City of McCall are the primary drivers for designating recreation or residential use as the highest and best uses of the Endowment Land. Each concentric tier on the tier maps represents market behavior based upon economies of scale and purchasing power. The lands proposed for exchange include ±21,378 acres of Endowment Land in and around Payette Lake and McCall and ±21,241 acres of timberland in Benewah, Clearwater, Latah, and Shoshone counties.<sup>1</sup>

**Market Conditions:** (Attachment 2) Research from 2016-2020 Payette Lake Sales Catalogs, average upland land values from 2013-2020, direct sale/resale activities, MLS, information obtained from other real estate professionals, and data from the Valley County Assessor's Office were used to analyze the McCall market conditions. Currently, Valley County is experiencing eleven percent (11%) to thirteen percent (13%) per annum appreciation overall, while the McCall land neighborhood area is experiencing substantially higher appreciation of twenty-four percent (24%) to twenty-eight percent (28%) per year.

**Analysis Summary:** (Attachment 3) Seventy-four (74) recent, nearby closed sales were used to bracket each tier by lake frontage (calculated by Front Foot) and upland areas (calculated by acreage) ranging from one (1) acre up to two thousand two hundred (2,200) acres. The mean and median were calculated for each tier or band. For each tier, primary weight was given to the median, as the median is less affected by outliers and skewed data. For these reasons, it makes it a better option than the mean as a measure of central tendency.

**Proponent's Timberlands:** For the central/northern Idaho timberlands, IDL used thirty-three (33) closed sales ranging from ten (10) to one thousand six hundred (1,600) acres in size from Benewah, Clearwater, Latah, Idaho, Lewis, Kootenai, and Shoshone counties. The mean and median were calculated, and primary weight was given to the high-end (above central tendency) as a cautious and fair approach to the valuation. Additionally, the developer's profit was not attributed to the unpurchased Proponent's timberlands, which also favors the proponent.

**Developer's Profit:** Developer's profit was estimated at twenty-five percent (25%) given the uncertainties of this large-scale proposal and was discounted from the estimated total price because of anticipated future revenues, holding costs, expenses, and risk.

<sup>1</sup> The land proposed for exchange is not currently owned by Trident, and the application did not include a copy of any options to purchase or other evidence of Trident's ability to acquire the land.

**PM:** If the additional \$35 million is based upon comparable sales, then it is not "additional," but actual.

**PM:** Please elaborate on this.

Why is it assumed that this valuation is not true market value?

Should the same assumption not be applied to the estimate of the Payette lands?

**PM:** Biased language.

**PM:** If IDL does not expect comparable sales to reflect the actual value of the land in a transaction, then why does it use them to price the land for a transaction?

**PM:** The tiers do not take into account topography, terrain, distance from infrastructure, etc. The tiers are solely based on distance from the lake. In this case, a parcel a mile up a hill near North Beach gets the same valuation as a parcel next to the airport.

**PM:** Annual appreciation is affected by paucity of supply, which is controlled by IDL.

**PM:** This represents the 2020/21 surge.

This is a national trend fueled by record low interest rates and COVID demand for recreation-based property. This is not a sustainable rate of growth and should be normalized over a longer period of time, as IDL has not done here.

**PM:** Weighted average would be the correct method to determine value.

**PM:** This is meaningless if the data set does not accurately reflect the subject that it is meant to represent.

**PM:** Why would a developer's profit be considered on Timberland?

**PM:** This is completely meaningless. The 25% profit does not take into account the investment in roading, infrastructure, utilities, costs to subdivide, etc. that would need to be incurred in order to realize any value from sales.

Where is IDL's estimate of those costs? That is critical to valuing pre-infrastructure bare land, and provided nowhere in this document.

**PM:** How does this impact the ability to value the land?

Why has IDL also deliberately not requested these materials, instead insisting when offered that they have everything they need to evaluate this exchange.

Table 1: Estimated Land Value

	Tier Unit Ranges by Highest & Best Use	Unit Sizes	Estimated Unit Value	Estimated Gross Value	Developer's Risk	Estimated Current Value
<b>Tier 1</b>	Average front foot lots	11,750	\$12,000	\$141,000,000	25%	\$105,750,000
	MIN		\$9,262			
	AVG		\$13,248			
	MEDIAN		\$12,497			
	MAX		\$17,412			
	Large FF lots & Islands	15,384	\$1,700	\$26,152,800	25%	\$19,614,600
	MIN		\$982			
	AVG		\$1,782			
	MEDIAN		\$1,724			
	MAX		\$2,641			
		Acres	21,378			
<b>Tier 2</b>	1 - 4.99 acre lots	1,766	\$72,000	\$127,152,000	25%	\$95,364,000
	MIN		\$10,185			
	AVG		\$72,124			
	MEDIAN		\$72,314			
	MAX		\$176,807			
<b>Tier 3</b>	5 - 39.99 acre lots	1,713	\$20,000	\$34,260,000	25%	\$25,695,000
	MIN		\$7,882			
	AVG		\$22,180			
	MEDIAN		\$20,213			
	MAX		\$43,709			
<b>Tier 4</b>	40 - 2,000 acre timbered lots	17,766	\$9,000	\$159,894,000	25%	\$119,920,500
	MIN		\$1,048			
	AVG		\$12,288			
	MEDIAN		\$9,108			
	MAX		\$35,985			
<b>Total</b>				\$486,458,800		\$366,344,100
<b>Proposed Timberland</b>	Large Timber Tracts Central Idaho	21,241	\$3,500	\$74,343,500	0%	\$74,343,500
	MIN		\$532			
	AVG		\$2,452			
	MEDIAN		\$2,324			
	MAX		\$5,241			
<b>Total</b>		Acres	21,241	\$74,343,500		\$74,343,500

\* Assuming all lots are sold and all approvals are in place.

**Revenue and Appreciation:** The RES Bureau worked with IDL's Payette Lakes Supervisory Area office to produce an estimated annual revenue report and compared that to the average revenue per acre produced on endowment land in the IDL area offices that would absorb the Proponent's Land into their management. In addition, IDL applied an annual appreciation of six percent (6%) based on the 2021 Appreciation Study ("Study") completed by IDL's Certified General Appraiser ("CGA"), Kevin Graham. In the Study, land within proximity of Payette Lake has an annual appreciation of twenty-four percent (24%) to twenty-eight percent (28%) since 2013. Valley County shows eleven percent (11%) to thirteen

PM: Please clarify unit metric, it jumps from feet to sq. feet to acres.

PM: If this unit metric is linear feet this represents 2.2 miles. That suggests that the majority of this lakeland valuation concerns properties discussed in the following comment.

PM: A large portion of this 2.2 miles is the county road on the Northeast quadrant of the lake. This land is without a doubt undevelopable if the road does not get moved. The costs associated with moving the road has not been factored in. If the future owner of the land cannot move the road, they would need to put a home up onto the granite cliff and would not have direct waterfrontage, and thus should not be valued as direct waterfront as it is now.



Highlighted area of concern bordered yellow, shown also below.



The other large portion of this is the land to the east of Warren Wagon Road (west side of the lake). Again, the land here is not developable and is unusable for a private land owner. There is no feasible way to move this road, to unlock shoreline. Both these stretches of land should be valued differently than home sales with private, groomed beaches (as it currently is being)



These are straightforward mistakes, but together they add \$105m to IDL's estimated land value.

PM: The min/max difference is a staggering \$160,622 per acre which indicates that 1) the comps do not justly reflect the entirety of the land that it is being applied to or 2) the land it is being applied to should be further broken down into more specific tiers.

PM: The min/max difference is a staggering \$35,827 per acre which indicates that 1) the comps do not justly reflect the entirety of the land that it is being applied to or 2) the land it is being applied to should be further broken down into more specific tiers.

PM: The min/max difference is a staggering \$34,937 per acre which indicates that 1) the comps do not justly reflect the entirety of the land that it is being applied to or 2) the land it is being applied to should be further broken down into more specific tiers.

PM: If the weighted average is used with the same data set (which is incorrect) the total value is \$296,600,491.

This value is overinflated by \$69,743,609 because the median was used incorrectly, instead of a weighted average.

PM: Please elaborate. There is time and capital required to be invested to obtain all approvals, and to service & plat sellable lots.

percent (13%) appreciation over the same period. To remain consistently conservative in the modeling, IDL used eleven percent (11%). However, IDL used eleven percent (11%) and six percent (6%) to analyze the sensitivity of the model at various percentages of appreciation.

The timberland in north and central Idaho has historically appreciated at a rate similar to the national inflation rate. For this model, the IDL used both six percent (6%) and eleven percent (11%) appreciation to be aggressive in adding value to the Proponent's Land.

In order to estimate the net gain or loss to the endowments, the RES Bureau calculated the potential appreciation in value for both the proponent and endowment land at 6% and 11% over ten years (Table 4). The additional revenue generated on the proponent's land (Table 3) was then combined with the estimated appreciation of proponent's land.

A summary of the Endowment Land Estimated Gross Revenue (Table 2), Proponent's Land Estimate Gross Revenue (Table 3), and Potential Income & Appreciation (Table 4) follow:

Table 2: Endowment Land Estimated Gross Revenue

**Payette Lands Annual Revenue**

Asset	Activity	Endowment	Acres	Annual Revenue	Rent per Ac
Communication		PS	0.25	\$10,227.00	\$40,908.00
Recreation	Mixed		1,105.00	\$1,000.00	\$0.90
Recreation	Mixed		625.00	\$9,000.00	
Recreation	Mixed			\$600.00	
Recreation	Mixed			\$2,500.00	
Recreation	Mixed		19.85	\$1,000.00	\$50.38
Grazing	Mixed			\$1,750.00	
Grazing			3,258.00	\$742.31	\$0.23
Mineral	Mixed			\$7,500.00	
Mineral				\$30,100.00	
Timber Harvest					
	Primary base		13,000.00	\$715,000.00	\$55.00
	2nd Base		8,000.00	\$0.00	\$ -
<b>TOTAL</b>				<b>\$779,419.31</b>	

PM: To be clear, this statement means the following. IDL believes it is "conservative" to adopt a higher long-term appreciation rate for its Payette bare lands than the S&P 500 Index has achieved over its entire 95-year history (10%). That is not industry practice.

PM: Why are expenses not factored in? The Land Board directed IDL in 2014 to provide area-level profitability metrics that shared expense figures. Excluding those expense figures, not knowing profits, and citing only revenues, is not best practice.

Can the market bear 4% of the new market value?

If the market is priced out, the new, actual revenue will be far lower. Has that assessment been performed?

Why did revenue change from PELS?

Table 3: Proponent's Land Estimated Gross Revenue

**Proponent's Land Revenue Proposed for LEX**

Asset	Activity	Acres	Annual Revenue	Rent per Ac
	Timber Harvest	21,241.00	\$2,178,689.37	\$102.57
<b>TOTAL</b>			<b>\$2,178,689.37</b>	

**Expected Gross Revenue Increase**

Asset	Acres	Annual Revenue
Endowment Land Revenue	21,378.00	\$779,419.31
Trident Revenue	21,241.00	\$2,178,689.37
<b>Gross Income Benefit for the Endowment</b>		<b>\$1,399,270.06</b>

Table 4: Summary of Potential Income and Appreciation

**6% Appreciation of Lands with Additional Revenue**

Asset	Acres	Totals
10 Year Appreciation of Endowment Land at 6%	21,378.00	\$237,254,308.96
10 Year Appreciation of Trident Land at 6%	21,241.00	\$59,313,577.24
10 Years of Trident Additional Revenue		\$15,628,049.10
<b>Loss to Endowment*</b>		<b>\$162,312,682.63</b>

**11% Appreciation of Lands with Additional Revenue**

Asset	Acres	Totals
10 Year Appreciation of Endowment Land at 11%	21,378.00	\$551,826,295.82
10 Year Appreciation of Trident Land at 11%	21,241.00	\$137,956,573.96
10 Years of Trident Additional Revenue		\$15,628,049.10
<b>Loss to Endowment*</b>		<b>\$398,241,672.77</b>

\*Deducting the proponent's ten years of appreciation and gross income benefit from the ten years of endowment appreciation reveals a loss to the endowment if exchange is completed.

**Consolidation of Endowment Lands:** The RES Bureau worked with IDL's GIS team to review the potential of the proposed exchange for blocking additional lands with existing endowment lands. The analysis concluded that only 9,450 acres of the proposed 21,241 acres have a common boundary with existing endowment timberlands.

The McCall area land is almost entirely blocked up, except for small portions like the Islands, etc. The Proponent's Land proposed for exchange offers little in the way of blocking up existing endowment timberlands. In short, the result of this exchange would be a net loss of almost 12,000 acres of blocked-up endowment land.

PM: This analysis does not factor in any portfolio level benefits such as increasing allowable cut, legal and physical access, reduced haul times, or reallocation of land bank funds toward higher returning EFIB investments, etc. Where is that analysis? These figures, along with all relevant assumptions were provided by Trident in November of 2020. Where is IDL's estimates of those same components of economic value?

PM: How has IDL valued proponent's timberland revenue without review of the inventory and stocked areas?

Trident provided to IDL in July 2021 year 1 endowment net cash of \$6.43m, and average annualized net cash over the project total of \$2.89m using the actual proponent land data which IDL still lacks, and has turned down when offered.

PM: An artificially high basis as a starting point obviously inflates these numbers into the future.

PM: "Loss" is a misnomer. Even under IDL's conclusions, the Endowment does not lose money.

PM: PM estimates that 61% of its proposed timberlands are adjacent to existing endowment lands.

PM: "Entirely blocked up" is meaningless where these parcels make very little revenue and pose a fire risk to the surrounding community.

PM: Yes, the McCall area lands are blocked up. The asset is already unprofitable, but the fact that it is blocked up doesn't turn it profitable.

IDL recognizes that roughly half of the proponent's lands are adjacent to existing endowment landholdings. Yet, mere adjacency is not the method of determining legal and physical access unlocked by this exchange.

That analysis was provided to IDL in July 2021. Where is IDL's version of the same analysis?

In addition, approximately 7,000 acres of the Proponent's Land are in a remote drainage (St. Joe) that would create a burden on the local area office to manage. Exchanging into this land makes no financial sense in the context of reducing management expenses and increasing overall efficiency.

**Improving Access:** The RES Bureau reviewed the Proponent's Land for additional access created by the exchange. There is no recognized net benefit of access to the endowments. In fact, the land in the St. Joe drainage would create additional cooperative road cost-share liabilities for the endowments with the United States Forest Service and private industrial landowners.

**Third-Party Review:** The final part of the RES Bureau's analysis involved independent third-party reviews by the Land Board's Timberland Advisor, Mason Bruce and Girard ("MB&G"), and the Land Board's Commercial Real Estate Advisor, CenturyPacific LLLP.

Roger Lord, a CGA with MB&G, completed a review of Trident's proposal as presented to IDL (Attachment 4) with a scope of evaluating based on blocking up, improving access, and increasing revenue. His conclusion and rationale are as follows:

"I recommend that the State of Idaho not pursue the proposed land exchange" and "In my opinion, there are better strategies for addressing issues surrounding the Payette Lake endowment lands that would provide a significantly more net benefit to the endowment than the proposed exchange."

1. The land proposed is less desirable and potentially worth less than the endowment land.
2. The exchange would foreclose on future leasing opportunities for the endowments.
3. The exchange would further fragment, not create larger blocks of endowment land.

CenturyPacific LLLP's principal, Michael Finch, completed a final review (Attachment 5) of the application and the analysis completed by the RES Bureau. The scope that was provided to CenturyPacific LLLP varied from the MB&G's because the RES Bureau sought an analytical review of the analysis compiled by IDL as well as a review of the application. Michael Finch concluded "...CenturyPacific does not support pursuing the proposed exchange." His opinion was informed by the following:

1. Trident does not provide evidence of the ability to acquire the land they are proposing in the exchange.
2. The Department's "rough order of magnitude value of the Endowment Property proposed for exchange, categorizes property sale data from closed, competitive sales. Based on the analysis provided, the data suggest the value of the Endowment Property is in excess of \$300,000,000- an order of magnitude value equal to four times the estimated approximate value of the Trident Property."
3. McCall-area real estate market is set to appreciate faster than the Trident Property.
4. The resources and complexities of a land exchange this large would require significant resources from IDL and the Attorney General's offices.

PM: What is the estimated cost difference between managing these particular 7,000 acres that IDL cites as burdensome, versus the cost of maintaining the ~21,000 Payette acres?

Why is that Payette cost still left out of this analysis?

We offered to provide IDL in July 2021 an analysis of mill distance and mill pricing competitiveness of these St. Joe's lands, along with a comparison of those same metrics for the Payette area lands. We still have that data. It shows how IDL earns more stumpage from its St. Joe lands than from the Payette area lands. Why did IDL selectively note one aspect but not the other?

What burden is created that IDL does not already endure?

PM: When IDL is open to receiving the relevant access information, rather than just looking at adjacency on a map, we are eager to provide that information.

PM: This analysis was based on these factors, but never based upon value, since IDL never analyzed value.

PM: They drew this conclusion, in their own statements, according to the valuation work performed by IDL. Hence qualifiers like "potentially" that explain why MB&G is uncomfortable restating IDL's \$366-488m valuation.

What is MB&G's assessment of the Payette value?

How much less? MB&G never had a reliable value

PM: Is IDL proposing to similarly increase lease rates in the McCall area by 915% as well? This analysis was based on these factors, but never based upon value, since IDL never analyzed value.

PM: Which leasing opportunities does this proposal foreclose?

PM: The exchange deliberately combines existing North Idaho fragmentation, by design.

PM: Not a legitimate reason for a negative recommendation. Unfortunately, that same evidence was rejected by IDL as unnecessary. Finch only reviewed IDL's already flawed data. Garbage in, garbage out.

PM: This is the IDL citing Michael Finch citing IDL. This is what is commonly known as a circular reference. Why did Michael Finch not feel comfortable providing his own value assessment?

Is large scale timber acreages not one of Mr. Finch's areas of expertise?

PM: What appreciation rate does IDL suggest Mr. Finch using? Or is he again restating that IDL's numbers are higher.

PM: What are these estimated costs? The resources identified exist for this very purpose.

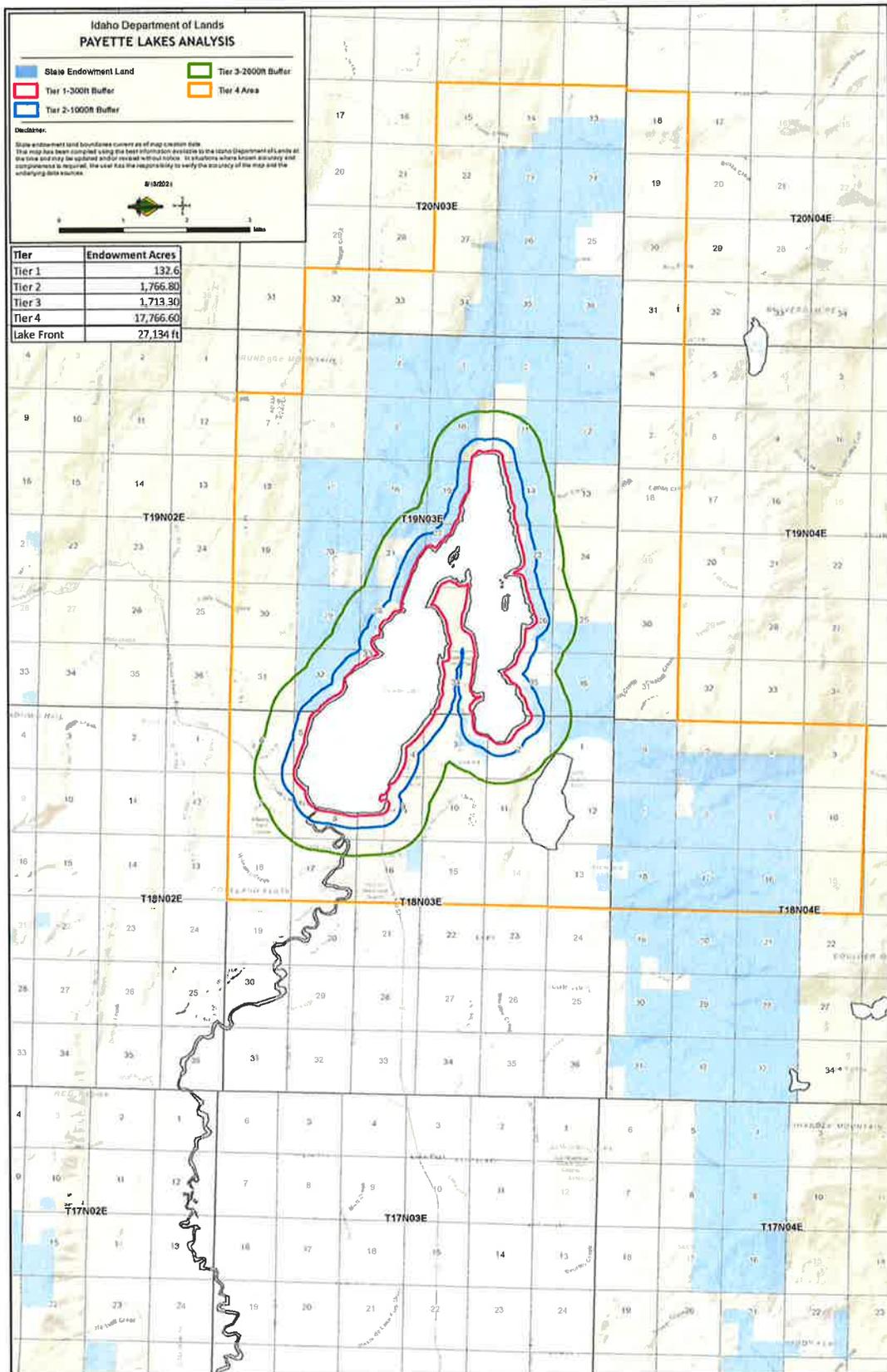
Recommendation

The RES Bureau recommends denial of the Trident Holdings, LLC land exchange application based on the facts presented in this memorandum.

Attachments

1. Tier Maps
2. Market Condition Analysis
3. Comparable Sales
4. MB&G Review
5. CenturyPacific LLLP Review

CC/EC: Jim Elbin – Trust Land Division Administrator Bill Haagenson – Deputy Director



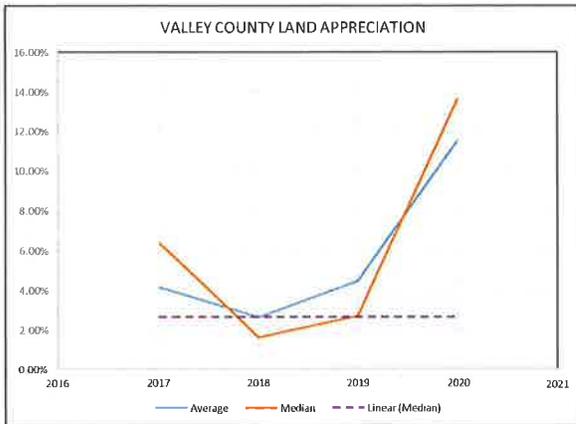
Josh,

As requested, I have researched IDL Mass Appraisals, 2016-2020 Payette Lake Sales Catalogs, average appraised upland land values from 2013-2020, direct sale/resale activities, and data from the Valley County Assessor's Office to determine the McCall market conditions. After looking into this further, it seems the historical data, which predates the 2008-2009 great recession is unreliable and is not demonstrated.

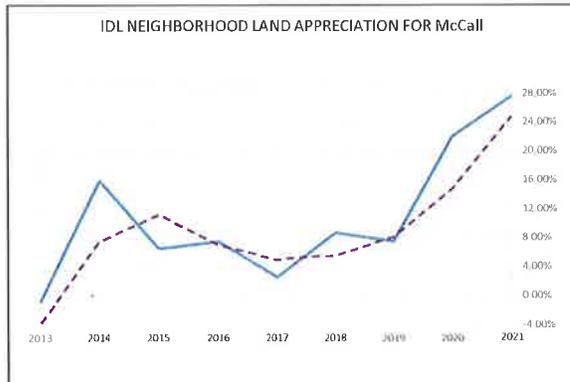
Idaho and Boise led the nation for the second year in a row for home price appreciation, according to the Federal Housing Finance Agency, for the year ending Sept. 30, 2020. Statewide, prices rose 14.4%. In Boise, they jumped 16.4%. Affluent refugees from California and people others who cannot work remotely are all contributing to a boom in house and land sales in the McCall area, including New Meadows, Donnelly and Cascade. Sales of homes and lots in 2020 reached levels not seen since the real estate boom of the 2000s, according to local Realtors and sales reports.

PM: Good reasoning for normalized pricing methods.

The first table has been developed from Valley County Assessor's Office data and other data sets. As can be seen, since 2017, the entire Valley County land appreciation experienced a slight decline in 2018, however, is showing very strong growth from about 11% to 13%.



The second table below is presented from data gathered by Valley County Assessor's Office data and other published sources and has been selected from neighborhoods located in the areas where IDL lands are. I believe it is important to focus on this timeline as it best represents the specific location of the IDL transition properties and is the most current information (2013- present). The moving average trend and current land appreciation shows a current range from 24% to 28% appreciation for these IDL land classes. It should be noted the balance of 2021 is forecasted.



Based upon the Interviews, preceding data, and discussion, since 2010 the market has been increasing, 2011-2014 were correction years and in 2015 the values came back in line with 2010 at \$3.2 billion in inventory. A conclusion can be made that the McCall market area has experienced previous stabilization with sharp current market increases.

Sincerely,

Kevin Graham, CGA-2836

Tier 1: Payette Lakefront Sales					
Sale	Date of Sale	Location	Land Value	FF	\$/FF
1	9/6/2019	2131 East Side Drive	\$1,250,000	71.79	\$17,412
2	8/1/2019	901 Wagon Wheel Road	\$1,800,000	157.50	\$11,429
3	7/1/2019	2010 University Lane	\$1,092,000	70.00	\$15,600
4	6/28/2019	No. of 2260 Payette Drive	\$1,808,750	104.97	\$17,231
5	6/28/2019	2260 Payette Drive	\$1,400,000	81.01	\$17,282
6	6/21/2019	826 Ruby Street	\$1,305,000	80.00	\$16,313
7	6/14/2019	2168 Payette Drive	\$1,243,000	101.87	\$12,202
8	4/15/2019	1504 McCall Avenue	\$1,100,000	100.00	\$11,000
9	11/1/2018	1678 Forest Lawn Street	\$930,000	53.90	\$17,254
10	8/7/2018	1838 Warren Wagon Road	\$935,000	60.00	\$15,583
11	5/31/2018	2554 Warren Wagon Road	\$750,000	60.00	\$12,500
12	2/9/2018	1882 Warren Wagon Road	\$1,890,000	181.02	\$10,441
13	6/15/2018	2107 Water Lily Lane	\$1,194,000	98.68	\$12,100
14	6/15/2018	2109 Water Lily Lane	\$1,084,000	85.14	\$12,497
15	6/15/2018	2244 Payette Drive	\$725,000	58.03	\$12,494
16	10/25/2017	149 E. Lake	\$1,255,000	135.50	\$9,262
17	9/26/2017	2406 Sharile Lane	\$840,000	70.00	\$12,000
18	9/11/2017	2077 Turkey Lane	\$810,000	60.00	\$13,500
19	8/3/2017	1882A Warren Wagon Road	\$1,475,000	99.00	\$14,899
20	10/19/2016	1926 Warren Wagon Road	\$1,305,000	105.00	\$12,429
21	8/23/2016	1882 Warren Wagon Road	\$2,775,000	284.00	\$9,771
22	8/16/2016	2012 Payette Drive	\$1,395,000	102.94	\$13,552
23	8/17/2016	2020 Payette Drive	\$1,290,000	113.73	\$11,343
24	8/18/2016	2030 Payette Drive	\$872,000	77.00	\$11,325
25	8/19/2016	2104 Payette Drive	\$1,570,000	106.00	\$14,811
26	5/19/2016	1924 Warren Wagon Road	\$1,135,000	82.41	\$13,773
27	11/17/2016	2060 Warren Wagon Road	\$1,625,000	118.27	\$13,740
28	11/15/2015	2029 Plymouth Ct.	\$590,000	49.20	\$11,992
29	5/24/2016	1630 E. Lake St.	\$1,098,000	96.00	\$11,438
30	10/28/2015	2365 Northshore Dr.	\$1,086,700	100.00	\$10,867
31	10/9/2015	2051 Plymouth Ct.	\$905,000	64.97	\$13,930
32	9/2/2015	2336 Warren Wagon Road	\$940,000	60.00	\$15,667
33	11/16/2015	990 Syringa Way	\$1,300,000	100.09	\$12,988
		Minimum	\$590,000	49.20	\$9,262
		Maximum	\$2,775,000	284.00	\$17,412
		Mean	\$1,234,953	96.61	\$13,246
		Median	\$1,194,000	96.00	\$12,497

PM: What are the sources of these land values? Does not tie with the 2021 Valley County Tax Assessors Valuations.

These sales are lakefront home sales that have built structures on them:

EX: #2 - 901 Wagon Wheel is a 5 bed / 4.5 bath home that sold for \$4.6mm. How is the department extracting land value?



Tier 1: Payette Lakefront Sales (Larger Lots and Islands)					
Sale	Date of Sale	Location	Sales Price	FF	\$/FF
1	10/25/2018	312 Warren Island Shores, Hope, ID	\$850,000	492.94	\$1,724
2	8/25/2016	Lots 2 & 3, Warren Island, Hope, ID	\$523,000	198	\$2,641
3	11/26/2014	NNA Memaloose Island, Hope, ID	\$4,800,000	4890	\$982
		Minimum	\$523,000	198.0	\$982
		Maximum	\$4,800,000	4890.0	\$2,641
		Mean	\$2,057,667	1860.3	\$1,782
		Median	\$850,000	492.9	\$1,724

PM: Weighted Average: \$1,106 per FF

Tier 2: Payette Upland Sales (1 - 4.99 acres)							
Sale	Date of Sale	Location	Sales Price	Lot Size (Acres)	\$/Acre	Lot Size (SF)	\$/SF
1	10/7/2020	Lot 18 Bitterroot Court	\$ 98,500	1.34	\$ 73,507	58,370	\$ 1.59
2	12/29/2020	TBD Pine Terrace Drive	\$ 93,000	1.44	\$ 64,583	62,726	\$ 1.48
3	11/8/2019	1426 Veronica Lane	\$ 95,000	1.49	\$ 63,956	64,704	\$ 1.47
4	4/2/2021	58 Pearson Lane	\$ 175,000	1.73	\$ 101,156	75,359	\$ 2.32
5	2/11/2021	TBD Sundance Drive	\$ 109,900	1.87	\$ 58,770	81,457	\$ 1.35
6	10/28/2020	1753 Club Hill Boulevard	\$ 217,000	1.96	\$ 110,714	85,378	\$ 2.54
7	1/28/2021	13774 Raptor Loop	\$ 140,000	2.00	\$ 70,000	87,120	\$ 1.61
8	4/28/2021	TBD Whitefield Lane	\$ 163,000	2.07	\$ 78,744	90,169	\$ 1.81
9	9/25/2020	69 Sundance Drive	\$ 164,900	2.16	\$ 76,343	94,090	\$ 1.75
10	11/12/2020	26 Moonbeam Circle	\$ 194,900	2.20	\$ 88,591	95,832	\$ 2.03
11	4/19/2021	TBD Harrington Place	\$ 235,100	2.35	\$ 100,043	102,366	\$ 2.30
12	4/19/2021	TBD Harrington Place	\$ 235,100	2.35	\$ 100,043	102,366	\$ 2.30
13	9/28/2020	TBD Stockton Drive	\$ 175,000	2.42	\$ 72,314	105,415	\$ 1.66
14	1/8/2021	TBD Rogers Lane	\$ 74,900	2.49	\$ 30,080	108,464	\$ 0.69
15	1/8/2021	TBD Blackhawk Lake Drive	\$ 200,000	2.53	\$ 79,051	110,207	\$ 1.81
16	7/15/2020	53 Sundance Drive	\$ 144,000	2.79	\$ 51,613	121,532	\$ 1.18
17	4/29/2021	L14 Blackhawk Lake Drive	\$ 550,000	3.22	\$ 170,807	140,263	\$ 3.92
18	7/17/2020	14106 Penne Lane Road	\$ 119,000	4.13	\$ 28,814	179,903	\$ 0.66
19	8/26/2019	447 Boydston St	\$ 48,500	4.76	\$ 10,185	207,436	\$ 0.23
20	3/11/2021	25 Smylie Lane	\$ 139,900	5.16	\$ 27,112	224,770	\$ 0.62
21	3/1/2021	1705 Chris Lane	\$ 301,333	5.18	\$ 58,172	225,641	\$ 1.34
			Minimum \$ 48,500	1.34	\$ 10,185	\$ 58,370	\$ 0.23
			Maximum \$ 550,000	5.18	\$ 170,807	\$ 225,641	\$ 3.92
			Mean \$ 174,954	2.65	\$ 72,124	\$ 115,408	\$ 1.66
			Median \$ 163,000	2.35	\$ 72,314	\$ 102,366	\$ 1.66

PM: Below are a few examples of why most of the comps provided by IDL over-inflate the value. These sales are in infrastructure served subdivisions. The value the developer created by bringing infrastructure to the homesite is reflected in the sale price. This cannot be justly applied to the upland acreage.

PM: Completely flat, infrastructure site on valley floor, not a comp for upland bare land acreage.



[https://www.zillow.com/homedetails/58-Pearson-In-McCall-ID-83638/243188635\\_zpid/](https://www.zillow.com/homedetails/58-Pearson-In-McCall-ID-83638/243188635_zpid/)

PM: Road and infrastructure served; in white cloud subdivision.

[https://www.landandfarm.com/property/1\\_87\\_Acres\\_In\\_Valley\\_County-10655239/](https://www.landandfarm.com/property/1_87_Acres_In_Valley_County-10655239/)

PM: In King Pines Estates.

PM: Duplicate entry?

PM: Located in Infrastructure-served subdivision.

PM: Waterfront lot; not comparable for upland acreage.



PM: Weighted Average: \$66,037 per acre

Tier 3: Payette Upland Sales (5 - 39.99 acres)							
Sale	Date of Sale	Location	Sales Price	Lot Size (Acres)	\$/Acre	Lot Size (SF)	\$/SF
1	11/6/2020	13739 Grouse Knoll Place	\$ 167,500	6.05	\$ 27,686	263,538	\$ 0.64
2	3/1/2021	13915 Farm to Market Road	\$ 330,000	7.55	\$ 43,709	328,878	\$ 1.00
3	8/31/2020	TBD Longview Road	\$ 150,000	9.36	\$ 16,026	407,722	\$ 0.37
4	12/15/2020	Lot 2 Ashlon Ridge Place	\$ 299,000	9.73	\$ 30,730	423,839	\$ 0.71
5	8/28/2019	TBD Crowley Lane	\$ 270,000	10.00	\$ 27,000	435,600	\$ 0.62
6	1/31/2020	TBD Potter Lane	\$ 169,500	12.00	\$ 14,125	522,720	\$ 0.32
7	11/12/2020	TBD Silver Fox Spur	\$ 150,000	19.03	\$ 7,882	828,947	\$ 0.18
8	6/18/2020	3731 West Mountain Road	\$ 300,000	20.92	\$ 14,340	911,275	\$ 0.33
9	9/16/2020	3737 West Mountain Road	\$ 360,000	22.64	\$ 15,901	986,198	\$ 0.37
10	3/22/2021	2070 Bear Basin Road	\$ 976,000	40.00	\$ 24,400	1,742,400	\$ 0.56
		Minimum	\$ 150,000	6.05	\$ 7,882	\$ 263,538	\$ 0.18
		Maximum	\$ 976,000	40.00	\$ 43,709	\$ 1,742,400	\$ 1.00
		Mean	\$ 317,200	15.73	\$ 22,180	\$ 685,112	\$ 0.51
		Median	\$ 284,500	11.00	\$ 20,213	\$ 479,160	\$ 0.46

PM: Below are a few examples of why the comps provided by IDL do not accurately reflect the Payette Upland parcels.

Subdivided sales on the valley floor are not legitimate comps for granite cliff side.

[https://www.realtor.com/realestateandhomes-detail/13915-Farm-to-Market-Rd\\_McCall\\_ID\\_83638\\_M11099-296446/photo6](https://www.realtor.com/realestateandhomes-detail/13915-Farm-to-Market-Rd_McCall_ID_83638_M11099-296446/photo6)

PM: This property is level, has a well dug, and septic approval.

[https://www.realtor.com/realestateandhomes-detail/13915-Farm-to-Market-Rd\\_McCall\\_ID\\_83638\\_M97761-394168/photo0](https://www.realtor.com/realestateandhomes-detail/13915-Farm-to-Market-Rd_McCall_ID_83638_M97761-394168/photo0)

PM: Located on valley floor; creek running through property.

<https://www.estately.com/listings/info/lot-2-jubilee-ridge-place>



PM: Located next to existing homes. Paved road access: <http://www.landofamerica.com/property/10-acres-in-Valley-County-Idaho/110539/>

PM: Located on valley floor:

<https://www.estately.com/listings/info/tbd-potter-lane-1>

PM: Located on valley floor.

PM: Located on valley floor. <https://www.landofamerica.com/property/22-64-Acres-in-Valley-County-1054107/>

PM: Direct access to bear basin, electric served: [https://www.realtor.com/realestateandhomes-detail/2070-Bear-Basin-Rd\\_McCall\\_ID\\_83638\\_M14072-86793](https://www.realtor.com/realestateandhomes-detail/2070-Bear-Basin-Rd_McCall_ID_83638_M14072-86793)

PM: Weighted Average: \$20,168 per acre.

Tier 4: Payette Upland Sales (40 - 2,000 acres)							
Sale	Date of Sale	Location	Sales Price	Lot Size (Acres)	\$/Acre	Lot Size (SF)	\$/SF
1	4/30/2021	Stockton Ct - 1800	\$ 3,270,000	91	\$ 35,985	3,958,297	\$ 0.83
2	6/14/2019	Paddy Flat Road	\$ 3,420,000	2,235	\$ 1,530	97,356,600	\$ 0.04
3	4/10/2019	Hail Reservoir	\$ 495,000	57	\$ 8,695	2,479,871	\$ 0.20
4	12/27/2019	West Valley Rd	\$ 11,000,000	733	\$ 15,013	31,916,412	\$ 0.34
5	3/24/2021	Woodland Drive	\$ 2,000,000	68	\$ 29,542	2,949,012	\$ 0.68
6	10/12/2019	Brook Dr	\$ 750,000	46	\$ 16,794	1,945,390	\$ 0.39
7	7/7/2020	Fish Lake Rd	\$ 480,000	140	\$ 3,286	6,098,400	\$ 0.08
8	8/20/2020	Knob Hill Dr - 1800	\$ 900,000	95	\$ 9,521	4,117,727	\$ 0.22
9	10/9/2019	Paddy Flat Road	\$ 2,075,000	1,980	\$ 1,048	86,248,800	\$ 0.02
10	11/25/2019	West Mountain Rd	\$ 389,836	270	\$ 1,444	11,762,942	\$ 0.03
	40+ acres	Minimum	\$ 389,836	44.66	\$ 1,048	\$ 1,945,390	\$ 0.02
		Maximum	\$ 11,000,000	2235.00	\$ 35,985	\$ 97,356,600	\$ 0.83
		Mean	\$ 2,475,984	571.24	\$ 12,286	\$ 24,883,345	\$ 0.28
		Median	\$ 1,450,000	117.27	\$ 9,108	\$ 5,108,063	\$ 0.21

PM: PINCH CREEK RANCH; adjacent to existing school; home development; sold with conceptual design plans in place; served by existing infrastructure.

This should only be applied to the Delnhard 80 acres, not contributed to the 17,776 of forested acres further from the lake and town:

<https://www.estatefy.com/listings/info/tbd-stickton-ct>



PM: Underlying land of Blackhawk Lake, Infrastructure served; with 1,320 feet of waterfront and existing dock rights. [https://images1.900met.com/62/14224vNtAS7op\\_gwfile?1.3172vWtllLxactrGDCV9ocumnt.cdf](https://images1.900met.com/62/14224vNtAS7op_gwfile?1.3172vWtllLxactrGDCV9ocumnt.cdf)



PM: Land adjacent to Whitetail, Owned by SHORE LODGE WHITETAIL LLC

PM: PINCH CREEK RANCH; adjacent to school; home development; sold with conceptual design plans in place;

This should only be applied to the Delnhard 80 acres, not contributed to the 17,776 of forested acres further from the lake and town.

PM: Waterfront property along the Payette River; not a comp for uphill acreage: [https://payetteinvestor.com/page\\_id-899](https://payetteinvestor.com/page_id-899)



PM: Adjacent to Whitetail: <https://www.estatefy.com/listings/info/tbd-fish-lake-road>



PM: Located on valley floor.

PM: Located on valley floor.

PM: Weighted average= \$4,338 per acre.

Falling to use a weighted average. In just this Tier IV comp set alone, mistakenly creates \$57,804,102 of value after developer discount.

If Sale 1,4,5 and 6 are removed, weighted average= \$1,621 per acre → \$21,602,091 value after developer profit factor.



# Memo



To: Joshua Purkiss, Real Estate Services Bureau Chief, Idaho Dept. of Lands  
From: Roger Lord, Timberland Advisor to IDL  
Date: July 13, 2021  
Re: Review and Recommendations Regarding the Proposed Trident Land Exchange

In accordance with the Scope of Work provided to me, I have performed a review of due diligence documents related to the proposed Trident Holdings LLC Land Exchange.

The proposed value-for-value exchange would trade 21,378± acres of state-owned property surrounding Payette Lake near McCall, for 21,240± acreage of mid-rotation industrial timberland in Benewah, Clearwater, Latah, and Shoshone Counties. At this time, there are no appraisals of either property.

I reviewed the following documents:

- The Trident Holdings LLC Land Exchange Application dated 2/8/2021.
- Maps of the proposed exchange lands in Benewah, Clearwater, Latah, and Shoshone Counties.

The proposed exchange is difficult to evaluate precisely using the evaluation criteria because the applicant has only provided a basket of possible exchange parcels with no property data other than acreage, maps, and legal description. It would not be known until late in the exchange process, after completion of appraisals, precisely which parcels the endowment would receive in the exchange. It should also be pointed out that the applicant doesn't own the proposed exchange parcels, nor have they provided any proof that they have secured rights to acquire the parcels from the current owner(s) or have sufficient capital.

Based on my review of the documents and evaluation of the proposed exchange, I recommend that the State of Idaho not pursue the proposed land exchange. My recommendation is based on the following evaluation of the decision criteria outlined in the Scope of Work:

- Will the proposed land exchange provide desirable land for less desirable land?

I believe there is a high risk that the State would ultimately be disadvantaged by pursuing the proposed exchange. One risk is that the value of the highly-developable lands surrounding Payette Lake would be diluted by appraising them in bulk form, combined with a large acreage of lower-valued, adjacent timberland. It is the nature of land markets that larger blocks of land sell at lower unit values than smaller blocks, other things being equal. The value of the "higher and better use" lands (e.g., lands with lake front or lake views/access or proximity to town) would be maximized by



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PM: PM has offered an appraisal, as MB&G recommends.

PM: All of this information is in Trident's possession and has been offered to IDL many times, but has been refused by IDL every time.

PM has and offered this additional information to IDL.

PM: If the appraisal is actually done correctly, the land would be broken into more than 4 UEs, based on many factors other than distance to the waterline. If these lands are not already subdivided, the cost to do so and then ACCESS these new, smaller lots must be factored in.

marketing it in relatively small acreage pieces over a period of time and at a pace that the market can absorb without materially discounting the value. From a fiduciary standpoint, this would be a superior approach to exchanging it in a bundle with a large block commercial/recreational timberland. While an appraisal could differentiate areas of different highest and best uses to a degree, it would in my opinion be inevitable that discounting of the highest value lands in the appraisal would prevent the endowment from maximizing capture of the full value of the lands.

Secondarily, it is not at all clear that the land gained in the exchange would be more desirable than that which would be given up. Some of the proposed exchange parcels appear to be in areas of relatively low productivity (e.g., some of the Clearwater and Latah County parcels) and other areas are remote and have steep, rugged topography (e.g., the St. Joe drainage south of Avery).

- Will the proposed land exchange provide possible future lease revenue for the endowment?

It does not appear that the lands that would be acquired have lease potential except perhaps for some grazing in the western-most lands, but income from this would be minimal.

- Will the proposed land exchange block up endowment lands?

Overall, the exchange further fragments rather than blocks up endowment lands. The exchange would give up the very large contiguous block of endowment lands around Payette Lake for an unknown number of small parcels scattered across four counties. Although some of the parcels proposed to transfer to the State are adjacent to existing endowment land, many are not. For example, much of the proposed land in Shoshone County is in a checkerboard ownership with national forest many miles from the closest endowment lands.

- Will the proposed land exchange provide overall long-term revenue to the endowment?

The applicant's claim is that it will, but it is impossible to know without specific data about the properties to be added to the endowment in the exchange, and that isn't made available.

- Will the proposed land exchange overall, benefit the endowment?

In my opinion, there are better strategies for addressing issues surrounding the Payette Lake endowment lands that would provide significantly more net benefit to the endowment than the proposed exchange.

Conclusion:

I recommend that the State of Idaho not pursue the proposed land exchange for the reasons cited.

PM: If IDL really believes the values it supplied to be true, why are they not now revising PELS to outline auction schedules for the entirety of the 20,000 Payette acres over time, as this letter suggests they now should?

PM: Not based on any data. Trident has tried to provide this information to IDL, but been repeatedly refused.

What is MB&G own estimate of the Payette acreage value?

PM: N. Idaho timberlands are, by design, primarily valuable for their timber sales, not leasing activity.

PM: We provided each parcel, its size, description, maps, and ownership information to IDL. Why is even the number of parcels unknown to MB&G?

PM: What is MB&G assessment of the analysis on exactly these points that we provided in our November 2020 presentation to the Land Board? Was he shared that information by IDL? We also shared with IDL in an in-person meeting with IDL staff in July 2021. Did IDL share those documents with MB&G?



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**MEMORANDUM**

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**DATE:** July 27, 2021  
**TO:** Mr. Josh Purkiss, Bureau Chief, Idaho Department of Lands (IDL)  
**FROM:** Michael E. Finch  
**RE:** Trident Holdings LLC Land Exchange Application

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**SUMMARY**

Thank you for the opportunity to review select information in connection with the proposed land exchange between Trident Holdings LLC (Trident) and the State Board of Land Commissioners (Land Board). As outlined in Trident's land exchange application (February 8, 2021), Trident is proposing to exchange ±21,241 acres of property identified as "forest" land in Benewah, Clearwater, Latah, and Shoshone Counties (Trident Property) for ±21,378 acres of land in and around Payette Lake under the control of the Land Board (Endowment Property).

The concept of a land exchange as a vehicle to facilitate the maximization of long-term value to Land Board constituents has obvious value. Concept aside, the proposed Trident exchange appears problematic for two primary reasons: i) material difference in value; and ii) net long-term value to the State of Idaho. Based on CenturyPacific's review of the information provided, it appears the Endowment Property has a value well in excess of that of the Trident Property. Due to the dynamic and maturing nature of the real estate market surrounding Payette Lake, even if the proposed exchange was a "like for like" exchange at present, it is possible (perhaps likely) that the Endowment Property will appreciate faster than the Trident Property. At this juncture, CenturyPacific is of the opinion that the proposed land exchange is not in the best interest of the Land Board.

PM: Was the information provided IDL's own value estimates?

## INFORMATION & DISCUSSION

The opinion summarized above is informed by the following:

- Trident Holdings LLC Exchange Application (redacted; dated as received February 8, 2021), accompanying cover letter from Preserve McCall, and related enclosures (schedules, maps and notes related to the proposed exchange transaction). Of note, footnote 2 of Attachment 3 discloses that Trident does not own the proposed exchange parcels in fee and will acquire preceding the closing of the proposed exchange. Based on the information provided, it is not clear if Trident has the unilateral right to acquire all of the proposed exchange properties.
- Analytical summary of McCall-area property transactions and corresponding graphical exhibit, prepared by IDL. The summary, intended to provide a rough order of magnitude value of the Endowment Property proposed for exchange, categorizes property sale data from closed, competitive sales. The data is categorized by location and lot area and organized to arrive at i) average values for waterfront lots, and ii) average values for upland lots trached in concentric distances around Payette Lake. Given the large scale of the proposed exchange, the material cost of a formal, parcel-discrete appraisal, and what appears to be a reasonable level of precedent data, IDL's analytical approach efficiently provides for "order of magnitude" values based on high-level property characteristics. Based on the analysis provided, the data suggest the value of the Endowment Property is in excess of \$300,000,000 - an order of magnitude value equal to four times the estimated approximate value of the Trident Property.
- Analytical value summary of closed large timber tract transactions in central Idaho (Shoshone, Benewah, Kootenai, Clearwater, Lewis, Latah and Idaho Counties) prepared by IDL. Assuming an average fair market value of \$3,500/acre, the estimated value of the Trident Property is approximately \$75,000,000. Based on review of the information provided, there appears to be a material difference in value between the Trident Property and the Endowment Property. While many open questions remain related to this proposed land exchange - the apparent difference in value does not appear to represent a true "like-for-like" exchange.
- Unlike the Trident Property, the nature of the Endowment Property - specifically, the intermediate- and long-term highest and best use of the property - is varied. Given the continuing maturity of the McCall-area real estate market, Endowment Property values appear poised to appreciate faster over that of the Trident Property. As such, based on the information provided, the anticipated long-term value of the Endowment Property is greater than that of the Trident Property.
- In the event the Land Board determines owning the Trident Property is a desired strategic addition to the portfolio and the apparent material gap in assemblage value is satisfactorily addressed, the scale of the proposed exchange should be approached with caution. Due to the scale of the proposed exchange, small value fluctuations have the potential to be magnified - resulting in potentially material value impacts.

PM: Reviewing incomplete information; redacted version of the presentation and no access to the additional information Trident shared with IDL in July.

Why is IDL's advisor receiving redacted copies of our application?

PM: This valuation of proponent's lands is also far higher than the applicant indicates (a 67%+ increase). Perhaps that helps display exactly why actually appraising both sides of the transaction would be so useful.

PM: Taints the analysis with IDL's incorrect conclusions.

to the parties. In addition to potential issues related to value, the complexity of a transaction of this scale will likely require a significant investment of IDL and AG staff and consultant resources.

#### ADDITIONAL INVESTIGATION & CONSIDERATIONS

For the reasons identified in this memorandum, based on the available information, Century Pacific does not support pursuing the proposed exchange. Should the Land Board elect to pursue the proposed exchange, Century Pacific strongly recommends additional investigation, including:

1. Appraisals: In the event the apparent value gap is reconciled and the Land Board wishes to pursue the exchange, consider confirming property values with appraisals by independent, MAI-certified professionals - including appraiser peer review of all draft appraisals prior to finalizing values.
2. Title review: All title matters (access, encumbrances, restrictions, rights, etc.) should be vetted to the AG's satisfaction.
3. Survey: IDL should consider obtaining boundary surveys for all exchange properties.
4. Environmental Evaluations: At a minimum, Phase I environmental site assessments should be conducted on all exchange properties.
5. Alternative Approaches to Divestiture: If the Land Board determines that a broad divesting of the Payette Lake properties is in the best interest of the endowment constituents, an evaluation of various divestiture strategies should be evaluated to ensure maximization of net sales proceeds (e.g. land exchange, large-scale public auction, public auction of select properties, capital-length term ground leasing of commercial property, etc.).

PM: What investment of IDL and AG time will need to be made that isn't part of their scope of work?

PM: We wholeheartedly agree. IDL's estimate of Payette Land Value has fluctuated 91.5% in five months. An independent appraisal seems a logical way to resolve the mistakes pointed out in this document. Indeed, this was the March direction of the Land Board that we wish to help IDL fund and pursue. Even Fiach asserts that additional information and an appraisal are necessary.

PM: We agree. This is another area of direction from the Land Board in March to IDL that we wish to help IDL fund and pursue.

PM: Divesting of the entire 21,000 acre Payette area was avoided in PELS due to the far lower IDL estimated land value (~\$40m) being capable of meeting the required rate of return for those upland lands. Is IDL now recommending this new, far larger divestment strategy? It seemingly must.

# **EXHIBIT 2**

**September 7, 2021**

**Trident, LLC Request for Rescission  
and Contested Case Hearing**

**Enclosure 1**

**JOSH PURKISS COMMENTS TO MCCALL CITY COUNCIL  
FROM JULY 9, 2020, MEETING**

*(Please see enclosed.)*

			Sincerely and respectfully, Brigid Lawrence
428	David Sanchez	4 Deerwood Dr	As a Idaho resident I oppose the privatization of the 28,000 public acres around Payette Lake which Trident Holdings LLC submitted a proposal to privatize. Thank you
429	Stephen Vikla	2837 NW 11th Ave meridian ID 83646	In regards to transferring public lands around Payette and Little Payette lake into private lands, I think that would be a precedent in the wrong direction, setting an example that some of our most pristine public lands are "for sale". As an Idaho resident, one of my favorite places to visit is McCall, hopefully you will do the right thing and continue to make it a great city.
430	Douglas Rudeen	612 W. Thatcher Street, Boise	The economics of what Trident are proposing don't make sense without overdevelopment of these lands. Please don't let them do this.
431	Conor Marcus	883 E Knoll Ct Eagle, ID	I do not approve of the privatization of public lands in and around the beautiful town of McCall and Lake Payette. If this land becomes private, it will only be to the benefit of a few (mostly out of state individuals) and detriment to generations of Idahoans. It would be a major mistake to give this land to private hands.
432	Joshua Purkiss	2324 W. Jefferson St, Boise ID 83702	Please don't support trading public land.
433	Ryan Battin	1515 w victory rd	I do not approve of the privatization of land around McCall and Payette lake. And also no lives matter till black lives matter.
434	Lauren Whipps	2315 N 28th St Boise, ID	I don't want to see gorgeous Lake Payette and the surrounding town of McCall taken over by private interests. This currently public land should remain in public hands for Idahoans like myself to continue to enjoy free from restrictions. Any move towards privatization is a very slippery slope and threatens the rights of Idahoans to Idaho's amazing public lands.
435	Shane Williams	690 s Clearwater In #302 boise Idaho 83712	Keep the land surrounding payette lake in the hands of the public. If you turn McCall into the next sun valley you will be losing the support of local residents and idaho tourists. We love our public lands for the freedom of what they offer. Dont make the same mistake as the state of idaho did concerning the wilks brothers.
436	Erinn Della	2209 N Payette Drive McCall ID 83638	Do NOT participate in the land swap. Keep Payette Lake Public Lands PUBLIC

# **EXHIBIT 3**

**September 7, 2021**

**Trident, LLC Request for Rescission  
and Contested Case Hearing**

**Enclosure 2**

**EXCERPT OF SUPPORTERS OF IDAHO RIVERS UNITED  
WITH JOSH PURKISS LISTED AS "RIVER DEFENDER"**

*(Please see enclosed.)*

Chuck Reese	Jonathan and Stephanie Marvel	Maurice & Leslie Hornocker	Susan and Joseph Daly
Cindy & Scott Rawlings	Joseph Canterino	Megan West	Susan Troppmann
Cindy Fisher	Joseph M. Bowers	Melissa Harris	Tamarack Resort
Claire Casey	Joseph Slaughter	Michael Beckwith	Taylor Barton
Clara Comer	Joshua Jacobs- Velde	Michael Guryan	Terri and Cosmo Corigliano
Clint and Tracey Frahler	Joshua Mackie	Michael Seaman	Terry and Delores Maret
Collin Todd	Joshua Purkiss	Michelle Francesco	Terry Smith
Colter's Creek Winery	Judy & Steve Meyer	Miller Family Fund	The Grove Hotel
Connally & Charley Penley	June Heilman	Mountain Village Resort	The Modern Huntsman
Craig Soelberg	karen mebane	Nancy Budge	Thomas Bartel
Darius Semmens	Karen Pederson	Nancy Taylor	Thomas Besser
Dave Green	Katherine Baxter	Natalie Shellworth	Thomas K. Welty
David Branch	Katherine Farmer	Nathan Todd	Thomas Ryan
David Koeppen	Kathryn Reynolds	Noah Hartford	Tim Holdsworth
David Monsees	Kay Hummel	Pam and Kirk Ebertz	TIM THOMAS
david sias	Kelly Thompson	Pam Wissenbach	Tom and Janette Von Alten
	Kenneth Koenig	Pat Durland	

# **EXHIBIT 4**

**September 7, 2021**

**Trident, LLC Request for Rescission  
and Contested Case Hearing**

**Enclosure 3**

**IDAHO RIVERS UNITED STATEMENT  
IN OPPOSITION TO TRIDENT LAND EXCHANGE APPLICATION**

*(Please see enclosed.)*

# The 28,000 Acre Payette Lake Land Transfer: What it means for Public Lands & Payette Lake

[Stephen Pfeiffer](#) [July 31, 2020](#)

A 28,000 acre swath of State-managed lands surrounding Payette Lake is in jeopardy of falling into private hands. Trident Holdings LLC is proposing a land exchange with the State of Idaho in order to acquire these forestlands, which provide important public recreation opportunities, wildlife habitat, and clean water benefits for the area. The land, managed by Idaho Department of Lands (IDL), encompasses much of the northern shoreline of the lake and extends southward along Little Payette Lake as well.

At the heart of the issue is the Idaho constitutional mandate that State endowment lands must operate at a maximum possible economic return. Trident Holdings has argued in their proposal that by purchasing this land and the State purchasing private timberland of equal value in North Idaho, a higher net revenue would result. The company has also said that its approach will include continued public access and ensure the natural benefits of the area remain.

However, Trident Holdings is a development company. First and foremost, its proposal will include building homes, condos, and infrastructure along the iconic Payette Lake shore. Development of this scale along the lake and nearby waterways will jeopardize the recreational and natural values of the land and the clean water benefits that this intact forest provides.

After pausing all leases in the McCall area in June, the State Land Board met on July 21st to hear from Trident representatives as well as the public. The

State faces a tricky choice in determining how best to proceed. However, it needs to consider the wide-ranging benefits this tract of land has and will have far into the future for the next generation of Idahoans. The qualities of this area support the economy and way of life for local residents and make McCall the special place it is for so many of us.

This process promises to be a drawn-out one, meaning there is still an opportunity to let the State Land Board know that this deal is a bad one for the Payette Lake area. Push the Idaho government to find a better solution that ensures these lands remain open to the public and intact for years to come.

For contact information visit <https://www.idl.idaho.gov/contact-us/>.

# **EXHIBIT 5**

**September 7, 2021**

**Trident, LLC Request for Rescission  
and Contested Case Hearing**

**Enclosure 4**

**PURKISS PAYETTE LANDS APPRECIATION SPREADSHEET**

*(Please see enclosed.)*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Net Gain/Loss
<b>Payette Endowment Land Value</b>	\$ 300,000,000.00										
<b>Appreciation 11%</b>	\$ 333,000,000.00	\$ 369,630,000.00	\$ 410,289,300.00	\$ 455,421,123.00	\$ 505,517,446.53	\$ 561,124,365.65	\$ 622,848,045.87	\$ 691,361,330.92	\$ 767,411,077.32	\$ 851,826,295.82	\$ 551,826,295.82
<b>Appreciation 6%</b>	\$ 318,000,000.00	\$ 337,080,000.00	\$ 357,304,800.00	\$ 378,743,088.00	\$ 401,467,673.28	\$ 425,555,733.68	\$ 451,089,077.70	\$ 478,154,422.36	\$ 506,843,687.70	\$ 537,254,308.96	\$ 237,254,308.96
<b>1%</b>	\$ 336,330,000.00	\$ 339,693,300.00	\$ 343,090,233.00	\$ 346,521,135.33	\$ 349,986,346.68	\$ 353,486,210.15	\$ 357,021,072.25	\$ 360,591,282.97	\$ 364,197,195.80	\$ 367,839,167.76	\$ 34,839,167.76
<b>Trident Proposed Land Value</b>	\$ 75,000,000.00										
<b>Appreciation 11%</b>	\$ 83,250,000.00	\$ 92,407,500.00	\$ 102,572,325.00	\$ 113,855,280.75	\$ 126,379,361.63	\$ 140,281,091.41	\$ 155,712,011.47	\$ 172,840,332.73	\$ 191,852,769.33	\$ 212,956,573.96	\$ 137,956,573.96
<b>Appreciation 6%</b>	\$ 79,500,000.00	\$ 84,270,000.00	\$ 89,326,200.00	\$ 94,685,772.00	\$ 100,366,918.32	\$ 106,388,933.42	\$ 112,772,269.42	\$ 119,538,605.59	\$ 126,710,921.93	\$ 134,313,577.24	\$ 59,313,577.24
<b>1%</b>	\$ 84,082,500.00	\$ 84,923,325.00	\$ 85,772,558.25	\$ 86,630,283.83	\$ 87,496,586.67	\$ 88,371,552.54	\$ 89,255,268.06	\$ 90,147,820.74	\$ 91,049,298.95	\$ 91,959,791.94	\$ 8,709,791.94
<b>Trident Proposed Additional Revenue</b>											
<b>Net Revenue Gain Through Exchange</b>	\$ (1,399,270.06)										
<b>Annual Inflation to Revenue 2%</b>	\$ (1,427,255.46)	\$ (1,455,800.57)	\$ (1,484,916.58)	\$ (1,514,614.91)	\$ (1,544,907.21)	\$ (1,575,805.36)	\$ (1,607,321.46)	\$ (1,639,467.89)	\$ (1,672,257.25)	\$ (1,705,702.40)	\$ (15,628,049.10)

\$ 24,337,841.04