

Agenda

April 18, 2024



**TRUST
LANDS**
ADMINISTRATION



TRUST LANDS ADMINISTRATION

SUPPORTING SCHOOLS AND INSTITUTIONS

Board of Trustees Meeting Agenda

102 Tower – 6th Floor Boardroom

102 South 200 East

Salt Lake City, Utah 84111

Thursday, April 18, 2024

10:00 a.m.

1. Welcome

2. Approval of March 21, 2024 Minutes

3. Confirmation of Upcoming Meeting Dates

May 16, 2024 – Regular Meeting

June 19-20, 2024 – TOUR (Beaver Canyon Projects, Beaver County) + Regular Meeting

July 18, 2024 – NO MEETING (New board member orientation)

August 15, 2024 – Regular Meeting (New board chair)

4. Trust Lands Funds in Action by Scott Bartlett, Managing Director of Operations

5. Public Comments

Trust Lands welcomes comments from the county advisory committee, the public, and other interested parties. The board sets aside 15 minutes at each board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three (3) minutes for remarks. Any member of the public participating electronically who desires to comment shall use the “raise hand” feature during the Zoom meeting. The public comment segment of the board meeting is not the time for a question-and-answer discussion. Trust Lands staff is available for dialogue outside of board meetings.

6. Chair Report by Dave Donegan, Chair of the Board of the Trust Lands Administration

7. Director Report by Michelle McConkie, Executive Director of the Trust Lands Administration

a. Staff Update

b. State Historic Preservation Office (SHPO) presentation by Lexi Carson-Little, Utah Cultural Site Stewardship Program Data and Events Specialist

8. Advocate Report by Kim Christy, Director and Jessie Stuart, Assistant Director of the Land Trusts Protection & Advocacy Office

9. Action Items

- a. Proposed Agreement to Issue Oil, Gas, and Associated Hydrocarbon Lease OBAs (ML 54433 & 54437) with International Petroleum LLC (Bro Energy), Uintah County (1,280.16 acres) by Chansé Rinderknecht, Geologist/Lease Manager (Vernal) and Stephanie Barber-Renteria, Managing Director (SLC) of Energy & Minerals
- b. Proposed Repeal of Board Policies by Mike Johnson, Chief Legal Counsel
 - 2020-01: COVID-19 Relief for Oil and Gas Leases
 - 2017-04: Administration of Oil and Gas Leases

10. Notification Items

- a. Minor Development Transaction with Hilldale Group LLC (Big Water), Kane County (16 acres) by Aaron Langston, Deputy Managing Director (Washington) of Real Estate Development
- b. Minor Development Transaction with Brennan Holdings, LLC (Eagle Point), Beaver County (9.89 acres) by Gregg McArthur, Economic Development & Project Manager (Washington) of Real Estate Development
- c. Minor Development Transaction with JKP Property Investments LLC (Gateway), Washington County (3.28 acres) by Gregg McArthur, Economic Development & Project Manager (Washington) of Real Estate Development
- d. Minor Development Transaction with Campbell Legacy LLC (Coral Canyon), Washington County (5.99 acres) by Gregg McArthur, Economic Development & Project Manager (Washington), Real Estate Development

11. Adjourn

Interested parties, including members of the public or representatives of county governments or Utah Tribes, may attend the meeting in person or through the **registration link**: https://utah.gov/zoom.us/webinar/register/WN_GPcpwB6XRgSVoGNUbOxwAw. Those wishing to provide public comment electronically will be asked at the beginning of the period designated for such comment to use the "raise hand" feature at the bottom of the screen within the Zoom meeting so they may be called upon to provide comment.

Please call Lisa Stamps Jones at 801-891-7489 or email lstampsjones@utah.gov any time before 4:30 p.m. on April 17, 2024, with questions.

Items may be heard in any order, at any time, at the Board's discretion.

Please be aware that the public portions of this meeting may be broadcast live over the Internet. Also, please note that an audio recording of the public portions of this meeting, along with any materials presented or distributed in the public portions of this meeting, will be posted on Utah's public notice website. Witnesses with questions, concerns, or handouts should contact staff.

In accordance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact Lisa Stamps Jones at 801-891-7489, or by email at lstampsjones@utah.gov, at least three (3) days in advance.

I, Lisa Stamps Jones, Trust Lands Administration Board of Trustees Executive Assistant, hereby certify the foregoing agenda was posted on the Utah State Public Notice website, <https://www.utah.gov/pmn/index.html>. **Dated: Tuesday, April 9, 2024.**

9a Surface

Agreement to Issue Oil,
Gas & Associated
Hydrocarbon Lease OBAs:
ML 54433 & 54437

with International
Petroleum (Bro Energy)



**TRUST
LANDS**
ADMINISTRATION

BOARD MEMORANDUM

Date: April 3, 2024

To: Board of Trustees, School and Institutional Trust Lands Administration

From: Stephanie Barber-Renteria, Managing Director of Energy & Minerals
Chanse Rinderknecht, Geologist/Lease Manager

Re: Big Park ML 54433 Other Business Arrangement (OBA)
Oil Gas & Associated Hydrocarbons

Applicant: International Petroleum LLC (Bro Energy)
4834 South Highland Drive Suite 200,
Salt Lake City, UT USA 84117

Lands: ML 54434 OBA
12S-24E, Section 2: Lots 1, 2, 3, 4, S2N2, S2 [ALL] – approximately
640.16 acres

ML 54437 OBA
12S-24E, Section 16: ALL- approximately 640 acres

Total Acreage: 1,280.16 acres, more or less

Fund: Schools

Summary

The Energy & Minerals Team recommends that the Board approve the Big Park OBA and issue two new Oil Gas & Associated Hydrocarbons Leases on 1,280.16 acres of trust lands located in Uintah County. Pursuant to Utah Code § 53C-2-401(1)(d)(ii), the agency may enter an OBA with Board approval. This action requires Board approval because the proposed lands are not being offered for lease via the competitive lease process.

Key Information and Background

The parcels that make up the leases are located near a recent discovery that has sparked significant interest in the area. The Energy & Minerals Team obtained OBA offers from multiple interested operators and has previously discussed this proposal, as well as the competing offers, with the committee and the Board.

The Resource: Oil Gas & Associated Hydrocarbons.

The Applicant: Bro Energy has many leases with TLA, has always offered and made a generous bonus payment, and has kept the terms of each lease.

Material Terms of the Transaction

Term: The leases will be issued with five-year primary terms, subject to extension as provided in the agency's standard form, and subject to the following additional requirement:

- If, within 24 months of the fully executed leases, Bro Energy has not commenced drilling a well and/or has not participated in a well to be drilled that will be pooled into a drilling and spacing unit (DSU) or committed to a unit and included in a participating area (PA), with trust lands constituting at least 25% of the DSU or PA, then Lessee will pay an additional \$250,000.00 penalty or the leases will expire.

Payments to Trust Lands Administration:

- The royalty rate for the Leases will be 16.67%.
- Bro Energy will pay TLA a bonus payment of \$550,000.00 (\$429.63/acre) prior to the issuance of the leases.
- After Bro Energy reaches project payout (by recouping all its investment) plus 10% profit, it will pay TLA another \$250,000.00 bonus.
- For a period of 18 months from lease issuance, if Bro Energy sells its interest in these leases, then the agency will receive 25% of any cash net proceeds in that divestiture, above its costs. During the 18-month period, if Bro Energy initiates drilling through either its own operations or participating as a non-operating partner or is pooled into a DSU or PA as provided above, then the agency will no longer be entitled to any proceeds from a divestiture.

Work/Expenditure Requirements:

As noted above, Bro Energy will be required to drill or participate in a well, as provided above, within 24 months, or pay an additional \$250,000.00 penalty.

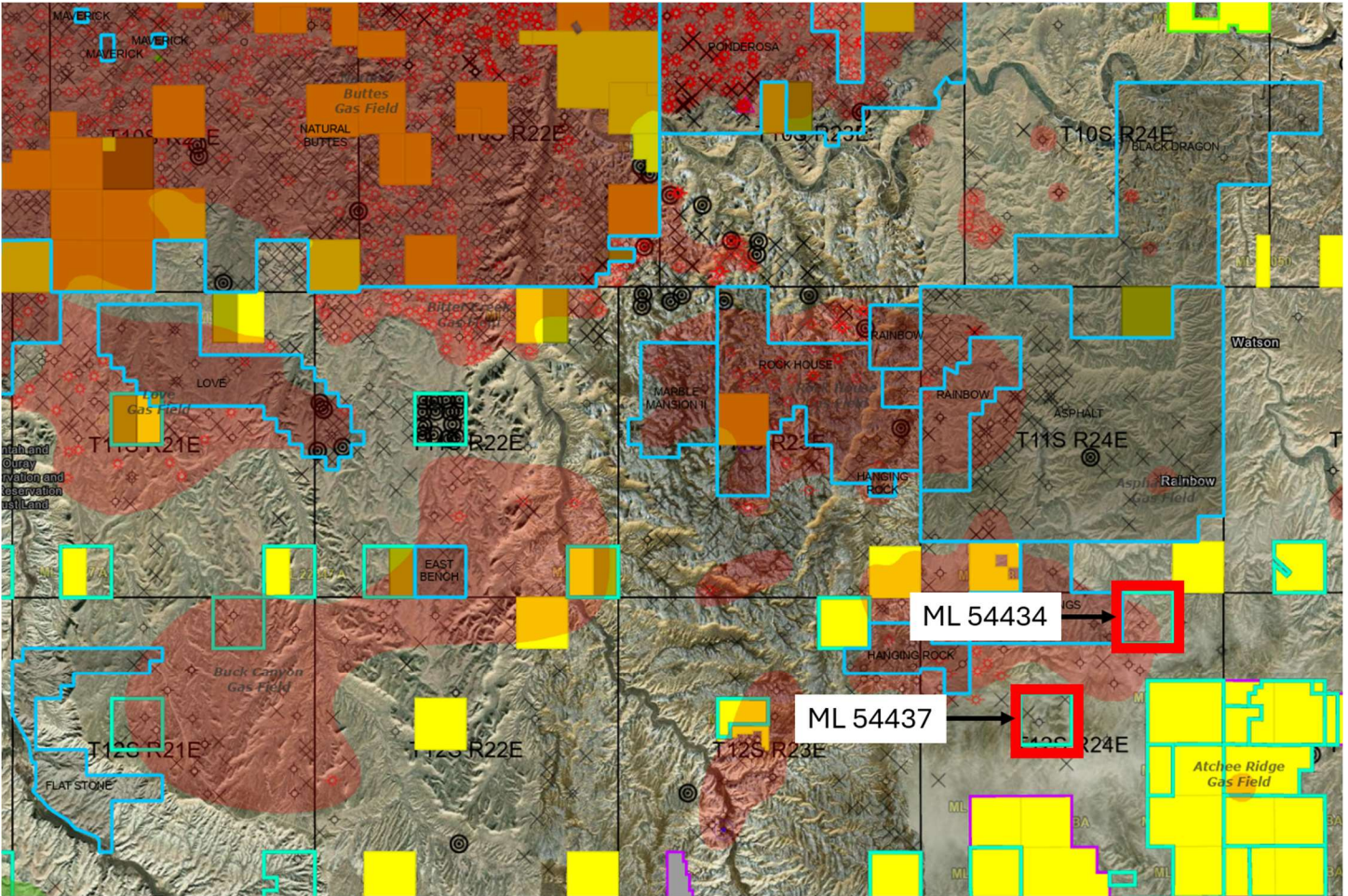
Data Reporting Requirements: The agency will require all geologic data from wells drilled.

Requested Agency Action

The agency requests that the Board approve the OBA and offers the following proposed motion:

“I Move to approve the Big Park OBA on the terms set forth in the Board Memorandum and to have the agency take all further actions necessary to finalize the transaction.”

Appendix A Map:



9b Legal

Repeal of Board Policy:

2020-01: COVID-19 Relief
for Oil and Gas Leases



**TRUST
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ADMINISTRATION

*The Board of Trustees
of the
School and Institutional Trust Lands Administration*

Policy Statement No. 2020-01

Subject: COVID-19 Relief for Oil and Gas Leases

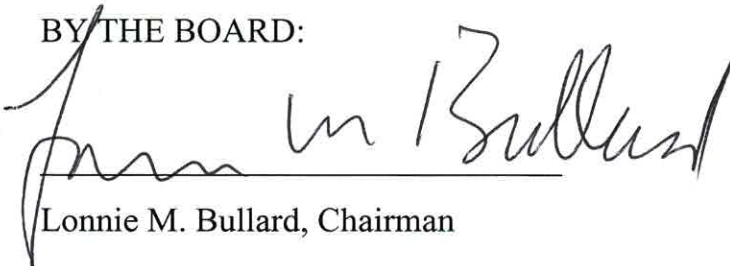
The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on May 14, 2020, and by majority vote declares the following to be an official policy of the Board regarding oil and gas lease administration

Due to COVID-19, Utah oil and gas lessees are facing severe economic stress caused by a demand destruction of roughly 30% and 60% drop in oil price. To support lessees with future recovery planning and help secure stronger revenues to the trust, the following terms will be granted on a temporary basis.

POLICY

1. Oil and Gas lessees will be allowed to continuously shut-in oil production for a period of up to 180 days, beginning May 1, 2020. Diligent operations and paying quantities provisions on oil production are waived during the 180 days.
2. Oil and Gas leases in primary term or extended primary term are granted an automatic 180-day extension on normal term expirations.
3. Late fees on rentals and minimum royalty payments are waived for 180 days, beginning May 1, 2020. *This does not relieve lessees of the duty to pay royalty on production timely, nor remove interest due on late royalty payments.*
4. Additional relief will be considered on a case by case basis, upon written request, when economic support can justify the prevention of waste and value in revenue generation during the period of market uncertainty.

BY THE BOARD:



Lonnie M. Bullard, Chairman

9b Legal

Repeal of Board Policy:

2017-04: Administration of Oil and Gas Leases



**TRUST
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The Board of Trustees
of the
School and Institutional Trust Lands Administration

New Policy

Amends Policy

Repeals Policy

Policy Statement No. 2017-04

Subject: Administration of Oil and Gas Leases

The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on November 16, 2017, and by majority vote declares the following an official policy of the Board.

Purpose: The purpose of this policy is to eliminate the administrative and accounting inconvenience for the agency, and its oil and gas lessees, created by the existence of numerous variations of the oil and gas lease form.

Policy: For the next 12 months, the agency shall actively encourage its oil and gas lessees to convert their existing leases to the agency's current lease form. The director shall have the discretion to take actions consistent with this policy, including the ability to issue new three-year primary term leases, so long as such actions comply with all provisions of the School and Institutional Trust Lands Management Act, the administrative rules, and all board policies.

By the Board:



Thomas W. Bachtell
Chair

10a Real Estate Development

Minor Development

Transaction: Big Water

with Hilldale Group LLC



**TRUST
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ADMINISTRATION

BOARD MEMORANDUM

To: Real Estate Committee (*Committee*)
School and Institutional Trust Lands Administration (*TLA*)

From: Aaron Langston
Assistant Managing Director, Real Estate Development

Re: Notice of Minor Development Transaction; sale of approximately 16 acres in Big Water, Utah.

Developer: The Hilldale Group LLC (“Hilldale”)

Property: Township 43 S Range 2 E Within Section 13, SLB&M, in Kane County
Containing approximately 16 acres (*See Exhibit A*)

Date: April 18, 2024

Bene: Schools

Summary

The purpose of this memorandum is to give the Board notice of a proposed minor development transaction on approximately 16 acres of trust lands located within the municipal boundary of Big Water, Kane County, near Cannon Ball Road. Before entering into a minor development transaction, the agency must give the Board notice of the transaction, including information about the proposed transaction, the process followed by the agency in selecting the developer, and an economic analysis of the project, pursuant to Rule R850-140-500.

Key Information and Background—Minor Development Transaction

Background: Staff received an offer on several lots accessed off Cannon Ball Road in Big Water, Utah. The lot configuration was platted in 1958 by the BLM, then inherited by the Trust when it received the unsold remaining lots through the Grand Staircase Exchange in the 90s. The lot lines are configured in three rows that do not provide access to the second or third rows, so private property owners of the first row of lots have had to grant easements through their properties to allow access to the second row of lots, and so forth. To make matters worse, there is unplatted land behind the platted lots, so that land becomes even more landlocked, thus making the future sale of the unplatted lots very difficult (see existing lot configuration in Exhibit B, attached hereto). As such, Staff suggested that the buyer instead purchase a similar amount of acreage that would not landlock any parcels. This new configuration included lot 30 (one of four lots included in their original offer), which is circled in Exhibit B for reference. The buyers were okay with the concept and resubmitted their offer. This revised configuration of approximately 16 acres is displayed in Exhibit A.

Key Terms of Transaction: Recognizing that the subject land has legal access issues, doesn’t have utilities stubbed to site, and has mostly been disturbed and various mounds of material have been stockpiled throughout the site, the buyers offered the greater of \$240,000, or appraised value, with a \$10,000

earnest money deposit to be paid as soon as the offer is accepted by the Trust, with a due diligence period to ending on April 15 and a closing within 60 days of Board approval.

Competitive Process: Staff solicited competing offers in the local newspaper and posted the information on the TLA website. No competing offers were received (although a couple of new offers for neighboring parcels were generated. If any of those new offers move forward, they too will go before the Board).

Economic Analysis: The March 2024 appraisal valued the parcel at \$360,000, or \$22,500 - \$24,000 per acre, depending on the final acreage once the legal description is written. This reflects about a 9% annual increase from a property used as a comparison in the appraisal that sold in 2020 that was similarly sized. That sales comparison property was zoned commercial, and the Trust's subject property carries a lower zoning designation of residential, so Staff feels the appraisal was very favorable for the Trust. The buyers agreed to pay the appraised value.

Subordination of Trust Assets: None.

Other Relevant Information: This offer was discussed and reviewed by the Real Estate Committee during their March 26, 2024 meeting.

Staff Conflicts of Interest: None.

Requested Action Staff will move forward as outlined, selling the subject parcel for the appraised value of \$360,000 according to the terms outlined herein.

Exhibit A

Subject disposal parcel, which includes lot 30 of the platted lots.



Development Sale No. 27195 - Big Water Parcel
 Township 43 South, Range 2 East, SLB&M;
 Within Section 13;



 Kane County



Big Water Parcel ~ 16.00 Acres

Land Ownership and Administration

- Private
- State Trust Lands

Bureau of Land Management, Utah
 AGRC, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, NGA, EPA, USDA

Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. The Trust Lands Administration provides this data in good faith and shall in no event be liable for any incorrect results, or any special, indirect or consequential damages to any party, arising out of or in connection with the use of the inability to use the data hereon. Land parcels, lease boundaries and associated Trust Lands Administration data layers may have been adjusted to allow for visual "best fit." The Surface Ownership Land Status data (if present) are maintained by the Trust Lands Administration to reflect current trust lands status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Geospatial Resource Center and/or other sources as specified. Contour lines (if present) were generated from USGS 10 meter DEM. Please Note: While the Trust Lands Administration seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated Trust Lands Administration ownership GIS data may require contacting the GIS staff directly 801-538-3100 or TLA-GIS@utah.gov. The Trust Lands Administration GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention. Produced: February 27, 2024 - katestaley

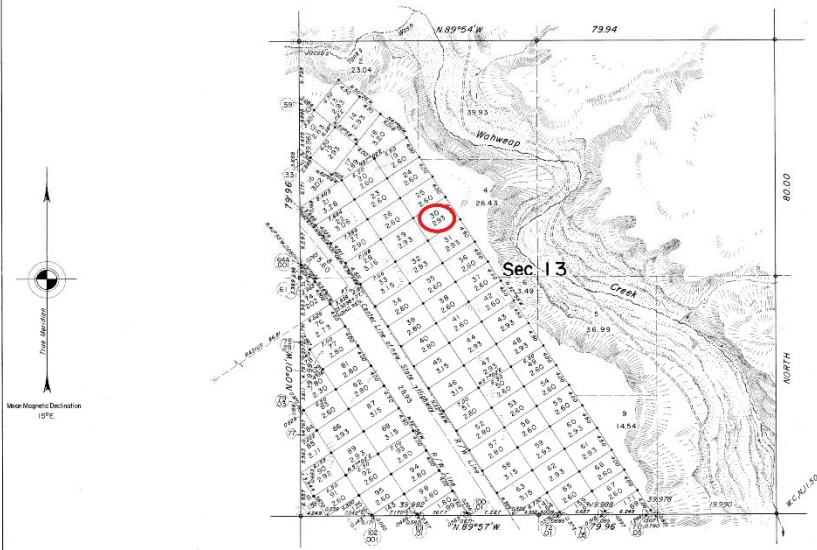
Document Path: V:\GIS\Share\GIS\GIS_Group\kate\Templates\LeaseMaps_NEW\Development_Group_PRO_Bx11.aprx Coordinate System: NAD 83 UTM Zone 12N

Exhibit B

Lot configuration per the August 21, 1958 layout by the federal government. Lot 30 is circled for reference. Notice the non-platted lots behind it that will become part of this transaction.

ORIGINAL

TOWNSHIP 43 SOUTH, RANGE 2 EAST, OF THE SALT LAKE MERIDIAN, UTAH.
SUBDIVISION OF SECTION 13

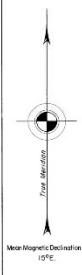


History of earlier surveys is contained in the field notes.

This plat represents the dependent re-survey of a portion of the subdivision lines designed to restore the corners in their original locations according to the best available evidence and the survey of the small tract lots of sec. 13, T. 43 S., R. 2 E., Salt Lake Meridian, Utah.

Survey executed by Donald F. Harding, October 4 to 23, 1957, under special instructions dated September 30, 1957 for Group 429, Utah.

Except as shown along the curve of the new State Highway, the small tract lots in sec. 13 were surveyed parallel and at right angles to the highway.



- ◆ Iron posts with brass caps
- Corners monumented with 1" iron stakes 24" long
- Highway R/W marker monumented with iron post 1 1/2" in dia



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Washington, D. C. August 21, 1958

This plat is strictly conformable to the approved field notes, and the survey, having been correctly executed in accordance with the requirements of law and the regulations of this Bureau, is hereby accepted.

For the Director
Earl K. Harrington
Cadastral Engineering Staff Officer

1811-C

10b Real Estate Development Minor Development Transaction: Eagle Point

with Brennan Holdings



**TRUST
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ADMINISTRATION

BOARD MEMORANDUM

To: Board of Trustees (*Board*)
School and Institutional Trust Lands Administration (*SITLA*)

From: Gregg McArthur, Economic Development & Project Manager, P&DG Utah
South

Re: Proposal to Approve Minor Development Transaction

Developer: Brennan Holdings, LLC

Property: T28S, R5W
Section 36
Containing 9.89 Acres – See Exhibit A

Date: April 18, 2024

Beneficiary: Public Schools

Summary

The purpose of this memorandum is to give the Board notice of a minor development transaction on approximately 9.89 acres of Trust lands located in Beaver County, located at ~100 N Upper Meadow Dr, Beaver, UT 84713. Before entering into a minor development transaction, the agency must give the Board notice of the transaction, including information about the proposed transaction, the process followed by the agency in selecting the parcels that are to be exchanged, and an economic analysis of the project, pursuant to Rule R850-140-500.

Key Information and Background--Minor Development Transaction

The subject 9.89-acre parcel is located on the corner of Highway 153 and N. Upper Meadow Dr in the Eagle Point Ski Resort area. North Upper Meadow Drive is the main road that leads to the Eagle Point Skyline Lodge which is the resort’s main operations facility. The base of the Skyline Chair Lift is located just 250’ from our property making this parcel an excellent location for Ski-In/Ski-Out lodging. The zoning overlaying this parcel is PD which allows for a PUD (Planned Unit Development) that can contain a wide array of residential and commercial development options. We have spoken with the Eagle Point Resort owners and the County Planning

Commission, and we are confident that the uses that are being proposed by our development partners will be allowed on the site.

In November of 2023 we received an offer to purchase the property. With this offer we chose to open the parcel up to an RFP. The parcel was advertised for six weeks ultimately generating three viable offers with one clear frontrunner.

Key Terms of Transaction:

Brennan Holdings LLC has offered to enter into a development agreement that anticipates three (3) potential lot configurations on the parcel with TLA receiving a minimum of \$2,250,000 and up to \$3,750,000 in revenue from the development. The developer will fully entitle and develop the property at their expense and then share a percentage of the finished unit sales revenue with the Trust.

Beaver 9.89 Acre Parcel		Option 1 (1 Acre Lots)		Option 2 (20,000 sq ft Lots)		Option 3 Townhomes	
		Low Range	High Range	Low Range	High Range	TBD	TBD
Project Breakdown	Types of Units	1 Acre Minimum. Lots		20,000 sq. ft. min. Lots		Townhomes	
	Number of Lots	9	9	15	15	TBD	TBD
	Proposed Lot Pricing	\$500,000.00	\$750,000.00	\$300,000.00	\$500,000.00	TBD	TBD
	Total Lot Revenue	\$4,500,000.00	\$6,750,000.00	\$4,500,000.00	\$7,500,000.00	TBD	TBD
SITLA RETURN	SITLA Total (50% on Lots)	\$2,250,000.00	\$3,375,000.00	\$2,250,000.00	\$3,750,000.00	TBD	TBD
	Return per Acre	\$227,502.53	\$341,253.79	\$227,502.53	\$379,170.88	TBD	TBD

Offer Details:

- Proposed five (5) year Development Lease with one (1) five (5) year option.
- Two potential lot configurations consisting of either 9 or 15 lots.
- TLA’s Distribution for each sale: 50% of Lot Sales.
- Projected average number of lots sold per year: 5-15 Lots.
- Projected number of phases: 1 Phase
- Projected timeline: Takedown of all lots within 5 years. Request for one (1) option to extend for an additional five (5) years if the market conditions justify the extension.

The Developer will investigate the possibility of developing Townhomes. The viability of townhomes is based on what type of sanitary sewer septic system can work on the parcel. This system will be limited by the existing soil’s ability to handle the absorption of the discharge from the system. These tests cannot be completed until the land has fully thawed from the winter weather. The developer is willing to pay for the cost of the required testing and engineering studies along with the land use applications and approvals. If Townhomes are deemed to be the highest and best use of the property in a quantity that will yield a higher return for the trust, then the developer proposed the following offer:

- Proposed five (5) year Development Lease with one (1) five (5) year option.
- TLA's Distribution for each Townhome sold: 40%
- Projected average number of Townhomes sold per year: 12 – 20 Townhomes.
- Projected number of phases: 2 Phases
- Projected Timeline: Takedown of all Townhomes within 5 years. Request for one (1) option to extend for an additional five (5) years if the market conditions justify the extension.
- The developer is willing to include an option that would allow TLA to retain ownership of completed townhome units if we desired.

Development Partner:

We feel that Brennan Holdings LLC has the experience, the relationships and the capital required to complete this project successfully in a timely manner. This developer has successfully completed two large Development Lease projects with TLA consisting of over 768 units including a variety of single-family lots, townhomes, and nightly rental units. Brennan Holdings is 100% self-funded and does not need to rely on financing for the project. Jim Raines, one of the Partners of Brennan Holdings, grew up in Beaver County and has a deep understanding of the area.

Return to the Trust:

The developer will guarantee a minimum return of \$2,250,000 to TLA by the end of the development agreement. The conservative NPV return to TLA from this offer is: \$1,483,462.10. The Moderate NPV return is \$1,745,026.30. The Aggressive NPV return is: \$2,617,539.46.

Economic Analysis:

An appraisal was completed on the parcel in June of 2022. The appraisal came back at \$200,000 for the full parcel. Raw land prices have not significantly changed within the last 20 months. With the current offers coming in at levels so much higher than the appraised price we are confident that the offers we have received are significantly higher than the appraised value.

The Trust will meet its fiduciary responsibility by selling this property at or above market value.

Competitive Process:

We advertised this parcel asking for proposals for a 6-week period starting in December 2023 and ending in January 2024. The RFP was advertised in the Salt Lake Tribune along with the Deseret News. We also sent notifications through our social media and advertised on our website.

Exhibit A
Beaver County, Eagle Point 9.89 Acre Parcel



10c Real Estate Development Minor Development Transaction: Gateway

with JKP Property
Investments



**TRUST
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ADMINISTRATION

BOARD MEMORANDUM

To: Board of Trustees (*Board*)
School and Institutional Trust Lands Administration (*SITLA*)

From: Gregg McArthur, Economic Development & Project Manager, P&DG Utah South

Re: Proposal to Approve Minor Development Transaction

Developer: JKP Property Investments LLC

Property: T42S, R14W
Section 04
Containing 3.28 Acres – See Exhibit A

Date: April 18, 2024

Beneficiary: Miners Hospital

Summary

The purpose of this memorandum is to give the Board notice of a minor development transaction on approximately 3.28 acres of Trust lands located in Washington County, located at ~188 Old Highway 91, Hurricane UT 84737. Before entering into a minor development transaction, the agency must give the Board notice of the transaction, including information about the proposed transaction, the process followed by the agency in selecting the parcels that are to be exchanged, and an economic analysis of the project, pursuant to Rule R850-140-500.

Key Information and Background--Minor Development Transaction

The subject 3.28-acre parcel sits adjacent to a lighted intersection on SR-9 that leads to the Gateway Industrial Park in Hurricane City, UT. This parcel is visible from SR-9 and is accessed from Old Highway 91. (See Exhibit A). The zoning for this parcel is Highway Commercial (HC) which will allow for retail and commercial uses.

In April 2007 the Trust entered into a Joint Venture with McCullough-Jones Properties LLC on an adjacent 3.82-acre parcel to the east to create a Stor-N-Lock storage unit facility. This parcel was originally planned to be an expansion option parcel for this facility. The option was never executed and this parcel has remained available with little to no interest over the past 15 years.

In March 2022, we received an offer to purchase the subject parcel. The offer moved us to create a request for proposal and advertise the parcel as available. The advertising and RFP closed with no additional interest or offers. The offer was approved by the board, but the transaction was never finalized.

In December 2023 we received 2 offers on the property. These offers moved us to create a request for proposal and to advertise the parcel as available. The advertising and RFP generated additional verbal interest but closed with no additional offers.

Key Terms of Transaction:

Staff recommends we accept an offer from JKP Property Investments LLC on this property. JKP Property Investments has offered \$1,400,000 cash to acquire this parcel with a short closing trimline of just 30 days. This offer demonstrates a high level of interest and a commitment to close on the property. We know that this group is anxious to obtain the property for a use associated with a development they have in the area. JKP Property Investments has also completed a multimillion-dollar transaction with TLA within the last year demonstrating an ability to perform.

Economic Analysis:

An appraisal was completed on the parcel in June of 2022. The appraisal came back at \$1,345,000 or \$410,060.98 per acre (\$9.41 SF). There is an existing .5-acre detention basin easement that resides on this parcel that solely benefits an adjacent property. Taking this issue into consideration we feel this is an accurate valuation for this parcel.

The Trust will meet its fiduciary responsibility by selling this property at or above market value.

Competitive Process:


We advertised this parcel asking for proposals for a 6-week period at the beginning of this year. We also sent notifications through social media and advertised on our website. The RFP did not generate any additional offers.


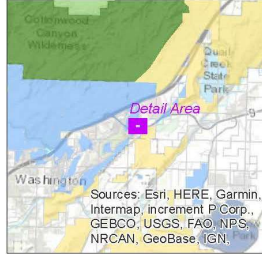
Exhibit A

Coral Canyon Commercial Area 13 Lot 3A & 3B


 Old Highway 91 Parcel - 3.32 Acres
 Township 42 South, Range 14 West, SLB&M; Within Section 4
 Washington County




 Old Highway 91 Parcel - 3.32 Acres
Land Ownership and Administration
 Private
 State Trust Lands

Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. DITLA provides the data in good faith and shall in no event be liable for any inaccuracy, errors, or any special, indirect or consequential damages to any party, arising out of or in connection with the use of the data hereon. Land parcels, lease boundaries and associated DITLA data layers may have been adjusted to allow for visual fidelity. The Surface Ownership Land Status data if present are maintained by DITLA to reflect current trust land status and surface ownership. Lakes, rivers, streams, highways, roads, county and state boundaries are distributed by the Utah Automated Geographic Reference Center and/or other sources as specified. Contour lines (if present) were generated from USGS 1:75,000 scale DEM. Please note: While DITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated DITLA ownership GIS data may require contacting the GIS staff directly: 801-538-5100 or TIA-GIS@utah.gov. The DITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention. Produced: June 10, 2022 - latest data.

Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN.

Document Path: V:\GIS\Share\GIS\GIS_Group\Kata\Template\TemplateApplication_Development.mxd

Coordinate System: NAD 83 UTM Zone 12N

10d Real Estate Development

Minor Development

Transaction: Coral Canyon

with Campbell Legacy



**TRUST
LANDS**
ADMINISTRATION

BOARD MEMORANDUM

To: Board of Trustees (*Board*)
School and Institutional Trust Lands Administration (*SITLA*)

From: Gregg McArthur, Economic Development & Project Manager, P&DG Utah South

Re: Proposal to Approve Minor Development Transaction

Developer: Campbell Legacy LLC

Property: T41S, R14W
Section 33
T21S, R14W
Section 4
Coral Canyon Commercial - Section 11, Parcel 6 & 7
Containing 5.99 Acres – See Exhibit A & B

Date: April 18, 2024

Beneficiary: Miners Hospital

Summary

The purpose of this memorandum is to give the Board notice of a minor development transaction on approximately 5.99 acres of Trust lands located in Washington County, near the I-15 Exit 16 interchange in the Coral Canyon commercial area. Before entering into a minor development transaction, the agency must give the Board notice of the transaction, including information about the proposed transaction, the process followed by the agency in selecting the parcels that are to be exchanged, and an economic analysis of the project, pursuant to Rule R850-140-500.

Key Information and Background--Minor Development Transaction

Background: In 2016, SITLA entered into a listing agreement with Jack Fisher Homes (now Cole West) to list our commercial properties in areas 11, 12, and 13 of the Coral Canyon Development. Since that time, we have sold section 12 and one lot in section 11. Only a handful of other offers have been brought to the Trust on the lands located in section 11 and 13, none of which have been thought to be a good fit for the area.

In January Campbell Legacy, LLC brought an offer to the trust for parcel 6 and 7 of the Coral Canyon Commercial Area. The buyer owns Wasatch Trailer Sales and currently has three sales locations along the Wasatch front in Layton, Springville, and Kaysville. They specialize in selling utility and specialty trailers.

The development concept for the Coral Canyon Commercial lands is defined in Section 7.2 of the Coral Canyon Commercial recorded CC&Rs: "The Property shall be used only for commercial offices, hotels, and motels, restaurants, including fast food restaurants, and retail stores." Trailer sales are currently a prohibited use under the CC&Rs. Upon receiving this offer staff reflected upon the use and what the goals are for this commercial area. We reached out to our development partner, Cole West, to get their thoughts on the use. After a thorough review, it was determined by all parties that this is an acceptable use in this area and that a waiver to the restriction can be made for this user. Two requirements will be put in place in exchange for waiving the restriction: All portions of the property that are used for display, sales, rental, or service of trailers on the property must be paved to the declarant's specifications and approval; and all sales offices that are placed on the property must be stick-built permanent structures.

Key Terms of Transaction:

BCI Investments, LLC offered \$7.44 per foot for the subject lots or appraisal price. An appraisal was completed in February 2024. The land valuation came back at \$9.00 SF. The buyer has accepted the appraisal price and will offer \$2,348,319.60 for the parcels. The buyer will have 120 days of due diligence and will close within 30 days after the due diligence period has ended. \$5,000 will be deposited in escrow as an earnest money deposit.

Economic Analysis:

An appraisal was completed in February of 2024 on Parcel 6 & 7. The parcels were appraised for \$9.00 per SF. In the appraisal the appraiser was asked to evaluate if allowing sales of trailers on the lands would increase or decrease the valuation. The analysis showed that the specific use did not affect the land's valuation.

The Trust will meet its fiduciary responsibility by selling this property at or above market value.

Competitive Process:

These lots are advertised with the Cole West Real Estate Brokerage, including listings on Costar and prominent freeway signage.

Exhibit A
Coral Canyon Commercial Area 11 - Lot 6 & 7

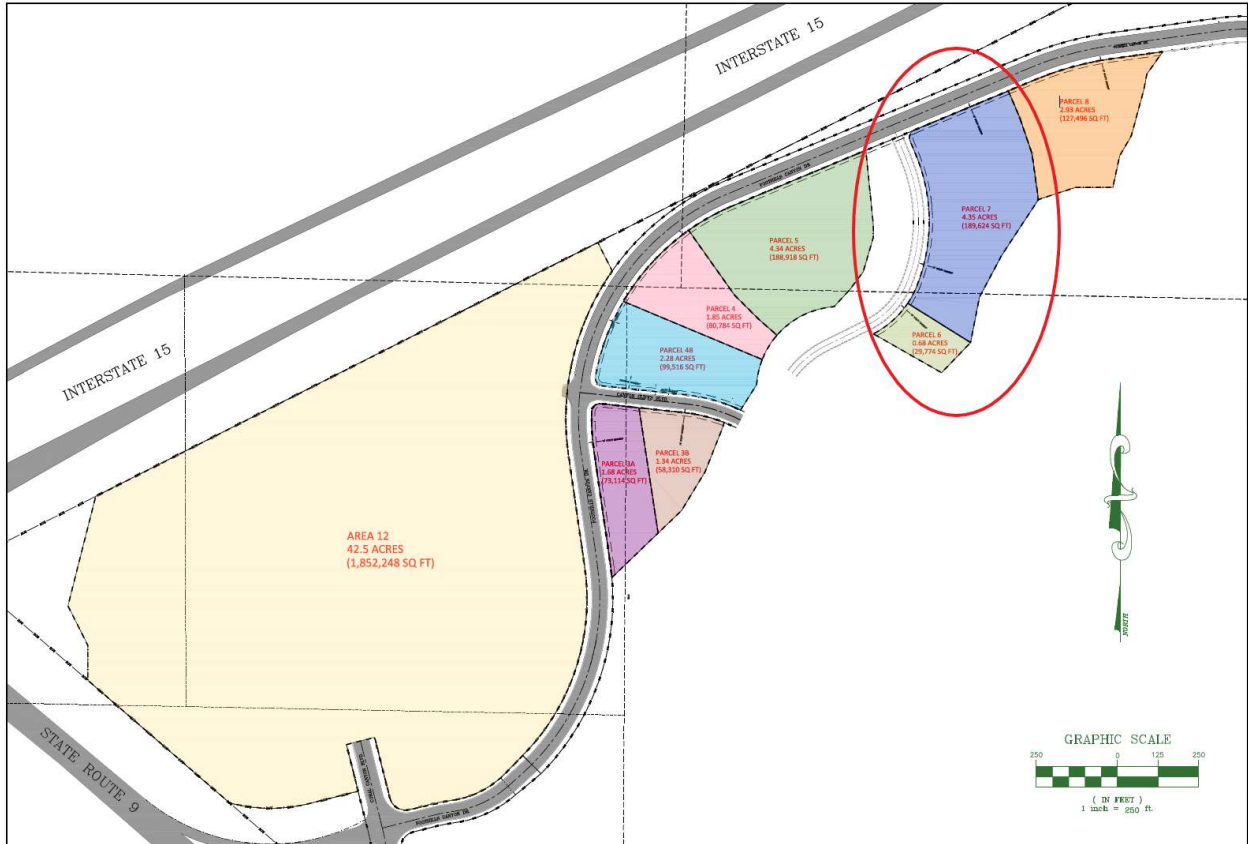
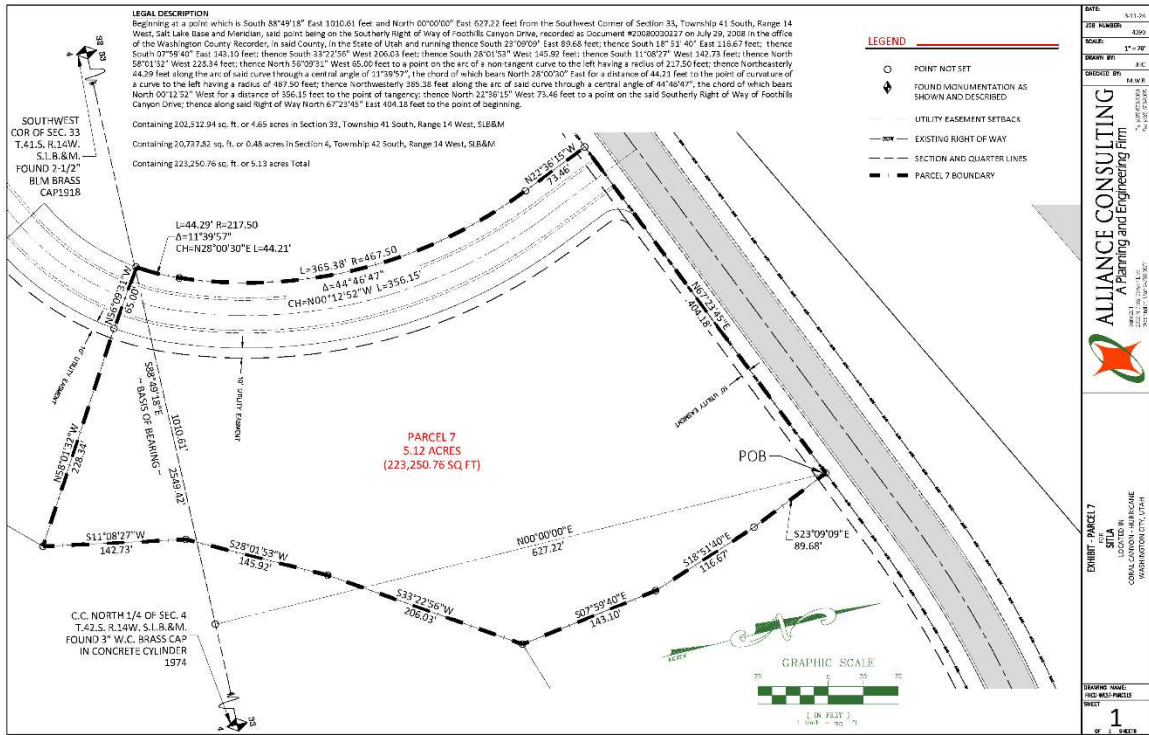
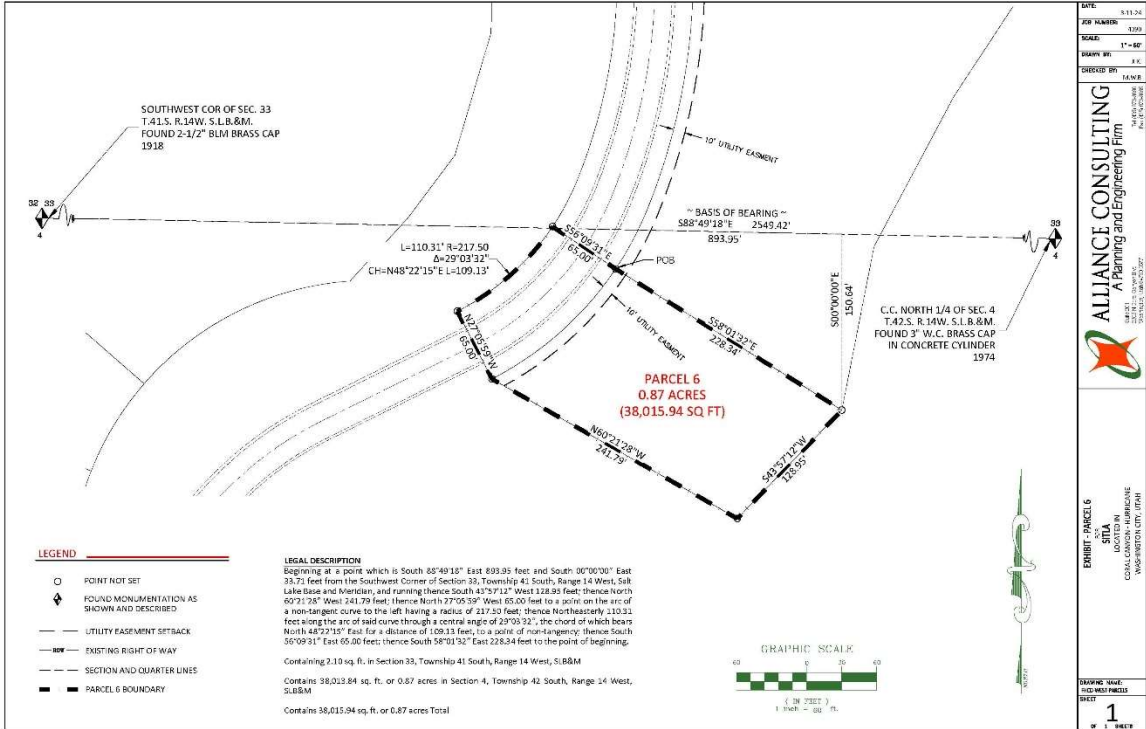


Exhibit B

Coral Canyon Commercial Area 11 - Lot 6 & 7





DATE:	8.11.24
DRAWN BY:	1003
SCALE:	1" = 60'
CHECKED BY:	1003
DATE:	8.11.24
ALLIANCE CONSULTING A Planning and Engineering Firm	
	
EXHIBIT - PARCEL 6 CITY OF SALT LAKE COUNTY LOCAL LAND USE DIVISION 200 WEST 100 SOUTH WASHINGTON, UT 84799	
DESIGNING SCALE:	AS SHOWN
SCALE:	1" = 60'
DATE:	8.11.24

