



TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board Meeting Materials

August 20, 2026



TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Meeting Agenda

Thursday, August 20, 2026, at 9:00 a.m.

102 Tower – 6th Floor Boardroom

102 South 200 East, Salt Lake City, Utah 84111

1. Welcome

2. Approval of Minutes

June 18, 2026 Board Meeting Minutes

June 18, 2026 Board Tour Minutes

3. Confirmation of Upcoming Meeting Dates

September 17, 2026 - Regular Meeting

October 22, 2026 - Regular Meeting

November 19, 2026 - Regular Meeting

December 2026 - No Board Meeting

4. Social Media Minute by Joelette Organista, Communications Specialist, Trust Lands Administration

5. Public Comment Period

Trust Lands welcomes comments from the county advisory committee, the public, and other interested parties. The Board has allotted 15 minutes for public comments. Each presenter is permitted one opportunity to speak and may provide remarks for up to three (3) minutes.

Members of the public participating electronically who wish to comment should use the “Raise Hand” feature during the Zoom meeting. The board meeting's public comment portion is not intended for question and answer discussion. Trust Lands staff are available for dialogue outside of Board meetings.

6. Board Business

- A. Trustees’ farewells by Chair Bryan Harris and Trustee Tiffany James, Trust Lands Administration Board of Trustees
- B. Swearing in of New Board Members: Kelly Williams and Spencer Moffat by Chair Harris
- C. Election of New Board Leadership by Chair Harris

7. Director’s Report by Michelle McConkie, Executive Director, Trust Lands Administration

- A. Recognition and appreciation of outgoing Board members (Michelle McConkie)
- B. Utah Foundation Economic Study Update (Elise Erler and Utah Foundation)

8. Advocate Report by Liz Mumford, Director, School and Institutional Trust Beneficiaries’ Advocacy Office

9. Discussion Items

- A. Request to enter into a Special Use Lease Agreement (SULA 2095 OBA) located in Carbon County, Utah (640 +/- acres) with Valar Atomics, by Bryan Torgerson, Assistant Managing Director, Mike Healy, Lease Manager, and Jim Davis, Managing Director, Surface Resources

10. Action Items

- A. Proposed Board Policy on Budget Review Process by Michelle McConkie, Executive Director
- B. FY2028 Budget Approval by Deborah Memmott, Director of Finance
- C. Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2021-OBA) located in Juab and Millard Counties, Utah (21,616 +/- acres) with Scoville

Resources LLC by Chanse Rinderknecht, Geoscientist Lease Manager, Energy and Minerals

- D. Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2022-OBA) located in Millard County, Utah (10,991 +/- acres) with Scoville Resources LLC by Chanse Rinderknecht, Geoscientist Lease Manager, Energy and Minerals
- E. Proposed Metalliferous Minerals Exploration Agreement with Option to Lease OBA (ML 54730 OBA) located in Beaver County, Utah (2,559.93 +/- acres) with Freeport-McMoRan Mineral Properties Inc. by Tyler Wiseman, Geoscientist and Lease Manager, Energy and Minerals
- F. Proposed Major Development Transaction located at the St. George Regional Airport northwest parcel, Washington County, Utah (82 +/- acres) with BoxHouse, Inc. by Gregg McArthur, Assistant Managing Director, Residential and Commercial Development

11. Notification Items

- A. Notice of a Proposed Minor Development Transaction located in Big Water, Kane County, Utah (0.4 +/- acres) with Robert Reed by Bryan Torgerson, Assistant Managing Director, Surface Resources SE Region
- B. Notice of a Minor Development Transaction located along Highway 12 near Bryce Canyon National Park, Garfield County, Utah (60 +/- acres) with Philo Development by Alexa Wilson, Development Project Manager, Residential and Commercial Development

12. Adjourn

Note: Board members may participate in this meeting electronically but may be seen and heard via electronic means at the anchor location specified above. 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_91_dOWNITFaK-z-dlENk0g.

Those wishing to provide public comment electronically will be asked at the beginning of the designated comment period to use the "raise hand" feature at the bottom of the screen within the Zoom meeting, so they may be called upon to provide their comments.

Please call Imaan Ahmed at 801-538-5110 or email ifahmed@utah.gov with any questions before 4:00 p.m. on August 19, 2026.

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.

Pursuant to the Americans with Disabilities Act, individuals needing auxiliary communicative aids and services for this meeting should contact Imaan Ahmed at 801-538-5110 or by email at ifahmed@utah.gov at least three (3) days in advance.

I, Imaan Ahmed, Trust Lands Administration Board of Trustees Executive Assistant, hereby certify that the foregoing agenda was posted on the Utah State Public Notice website, <https://www.utah.gov/pmn/index.html>.

Dated: August 10, 2026

Board Meeting Minutes

June 18, 2026



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Meeting Minutes

Thursday, June 18, 2026

Board Members

Present at Anchor Location

Mr. Bryan Harris, Chair
Dr. Mike Nelson, Vice Chair
Mr. Dan Simons
Mr. Mike Mower
Mr. John Baza
Mr. Brian Tarbet

Board Members

Absent

Ms. Tiffany James

Attending Public

Lizz Mumford, Advocacy Office
Jessie Stewart, Advocacy Office
Paula Plant, USBE
Derek Klein, Far Development
McKay Christensen, Far Development
Stephen Kaiser, Utah AG
Mike Canning, UDWR
Chelsea Duke, UDWR
Justin Shannon, UDWR
Chris VanHeusen, UDWR
Jose Lipton, Utah AG
Connor Berg, Utah AG
Mannuel Rodriguez, Fox 13
Analise Wilson, Ivory Homes
Jill Burnside, Grant Elementary

Attending Public (continued)

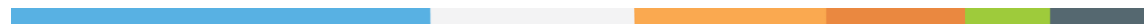
Jule Jag, Salt Lake Tribune
Mara Hammer, Utah PTA
Chris Gamuroulas, Ivory Homes
Brad Mackey, Ivory Homes
Carter Williams, KSL
Ben Winslow, Fox 13

Welcome

At 9:00 a.m., Chair Harris welcomed the board, staff, and visitors, and opened the meeting.

Approval of Minutes

Dr. Nelson seconded Mr. Mower's motion to approve the minutes of the May 21, 2026, board meeting. The motion passed with a unanimous vote, with Ms. James absent.

		
Yea	Nay	Excused
Chair Mr. Harris Vice Chair Dr. Nelson Mr. Mower Mr. Simons Mr. Baza Mr. Tarbet		Ms. James

Confirmation of Upcoming Meeting Dates

July 2026 - No Board Meeting
August 20, 2026 - Regular Meeting
September 17, 2026 - Regular Meeting

Trust Lands Funds in Action

Principal Jill Burnside with Grant Elementary, emphasized that school Trust Lands funds are essential for elementary schools, helping bridge budget gaps to provide critical staff and instructional resources. By allocating 90% of funds to paraprofessionals for targeted intervention in reading and math, and 10% to materials, these funds directly support student learning. Furthermore, the Trust Lands funds facilitate valuable community engagement, ensuring diverse perspectives contribute to school improvement and student success.

Social Media Minute

Continuing with the "What The Heck Happens on Utah Trust Lands" video segment, Ms. Joelette Organista presented a second video on geothermal energy production. The footage detailed the process of drilling deep into the earth to reach hot rock and injecting water, which is then heated to create steam. This steam drives a turbine and generator to produce electricity, an efficient energy-harnessing method currently utilized at the Utah Forge site on Trust lands.

Public Comment Period

There were no public comments.

Chair's Report

Reflecting on the conclusion of a six-year term on the board, Chair Harris offered praise for the TrustLands team, noting their high level of professionalism and unwavering commitment to the goal of increasing value for beneficiaries. Additionally, the Chair emphasized the vital impact TrustLands has on the advancement of Utah's infrastructure and its contribution to the state's robust economic growth.

Director's Report

Director McConkie began the report by noting that Spencer Moffitt and Kelly Williams have received Senate confirmation as the newest members of the TLA board. Following this announcement, the floor was given to Forest Resources Manager Adam Robison and Assistant Managing Director Scott Chamberlain for a briefing regarding wildfire risk reduction. Presentation details can be found at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 13 - 27).

An inquiry was made concerning the methodology used to distribute wildfire-related costs. The question focused on how these expenses are split and whether they are allocated based on the total acreage affected. Director McConkie explained The Division of Forestry, Fire, and State Lands is responsible for fire suppression on all state-owned lands and does not charge for these suppression costs, even though the organization collaborates closely and provides on-the-ground support.

After the presentation on Wildfire Risk Reduction, Director McConkie delivered an update regarding the TLA Legislative Performance Audit. Ms. McConkie noted that while 6 audit recommendations are currently in progress, 7 have been successfully completed. Details of this update can be found in at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 28-33).

Advocates' Report

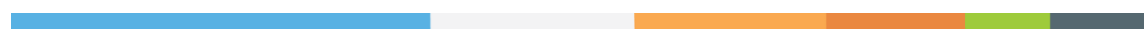
Director Liz Mumford provided updates on several key areas, highlighting ongoing collaboration with beneficiaries like public education, Miners Hospital, and Colleges of Education regarding land sales, distribution plans, and accountability. She noted the office is establishing official legal liaisons at each

institution to improve communication and delegated authority. Regarding governance, she welcomed new advocacy council member Mark Waite and TLA board members Spencer Moffitt and Kelly Williams, while also expressing appreciation for the nominating committee's diligent work. Finally, she reaffirmed support for the proposed roadless area land sale in the Book Cliffs and the Dameron Valley sale, while advising that future risk assessment procedures must explicitly include joint ventures and their associated capital calls.

Action Items

Item 10A.

The motion to move into a closed session was proposed by Mr. Simons and seconded by Mr. Tarbet. The vote was unanimously in favor, and the board entered the closed session at 9:46 am.

		
Yea	Nay	Excused
Chair Harris		Ms. James
Vice Chair Dr. Nelson		
Mr. Mower		
Mr. Baza		
Mr. Simons		
Mr. Tarbet		

Chair Harris read the following statement:

Pursuant to Utah Code Section 52-4-2025 (1)(e), the board may conduct a strategy session to discuss the sale of real property, including any form of a water right or water shares if: (i) public discussion of the transaction would (B) prevent the public body from completing the transaction on the best possible terms, and pursuant to 52-4-205 (1)(c) to discuss pending or reasonably imminent litigation.

Closed Session Attendees:

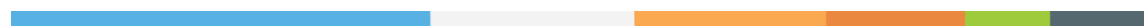
Chair Harris
 Vice Chair Dr. Nelson
 Mr. Dan Simons
 Mr. John Baza
 Mr. Brian Tarbet
 Mr. Mike Mower
 Ms. Michelle McConkie
 Mr. Mike Johnson
 Ms. Keli Beard
 Mr. Kyle Pasley
 Mr. Chris Fausett
 Ms. Marla Kennedy
 Ms. Liz Mumford
 Ms. Jessie Stuart

The board concluded the closed session and reconvened the open meeting at 10:34 a.m.

Ms. Michelle McConkie and Mr. Chris Fausett provided an overview of the Book Cliffs Roadless Area Block, a proposed Trust Lands sale located in Grand County, Utah. This action item was presented to the board in the May board meeting and allowed for a public comment. Details of the presentation can be located at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 35 - 40).

Chair Harris and Trustee Mower commended the staff and legislature for approving the sale of a property that had been yielding little annual income. They noted that by divesting this asset for \$30 million, the resulting funds can be reinvested to provide a much greater financial yield for the beneficiary, Utah's public schools.

Following a motion by Mr. Baza to approve the sale of the subject property according to the terms specified in the board memorandum, Dr. Nelson seconded the motion. The resulting vote was recorded as follows:

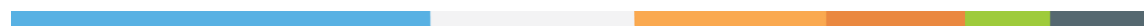
		
Yea	Nay	Excused
Chair Harris	Mr. Simons	Ms. James
Vice Chair Dr. Nelson		
Mr. Mower		
Mr. Baza		
Mr. Tarbet		

Item 10B.

Mr. Tyler Wiseman shared details of presentation regarding the Proposed Metalliferous Minerals Exploration Agreement with Option to Lease, located in Juab County, Utah, with AuKing Mining Limited. Chair Harris recused himself during this presentation, and Dr. Nelson took over as the acting chair. Details of this OBA proposal were reviewed in the Energy and Minerals Committee meeting in May, and details of presentation can be located at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 41 - 45).

Mr. Wisemen clarified that annual progress reports act as preliminary updates that build toward a final JORC (Joint Ore Reserves Committee) technical report, required for mining companies listed in Australia. It was also confirmed that the board approves the exploration term and the long-term lease at the outset, rather than reviewing the project again for a lease decision at the end of the five-year term.

A motion to approve ML 54717 OBA was initiated by Mr. Tarbet, based on the terms outlined in the board memorandum. The motion included authorizing the agency to perform all necessary subsequent actions to conclude the transaction. Mr. Baza provided the second, and the motion received unanimous approval.

		
Yea	Nay	Excused/ Recused

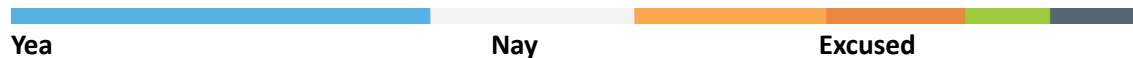
Vice Chair Dr. Nelson
Mr. Simons
Mr. Mower
Mr. Baza
Mr. Tarbet
Mr. Simons

Ms. James
Chair Harris

Item 10C.

Ms. Heather Murray presented terms of the Proposed Oil, Gas, and Associated Hydrocarbons Lease Agreement located in Uintah County, Utah, with Leif Exploration, LLC. This proposal was previously reviewed during the Energy and Minerals Committee Meeting held in May.

A motion to approve ML 5418 OB according to the specifications in the board memorandum was made by Mr. Baza and seconded by Mr. Tarbet. The motion passed with a unanimous vote, with Ms. James excused.



Chair Harris
Vice Chair Dr. Nelson
Mr. Mower
Mr. Baza
Mr. Tarbet
Mr. Simons

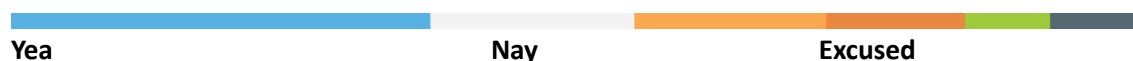
Ms. James

Item 10D.

Ms. Heather Murray shared details of a presentation regarding a Proposed Helium, Oil, Gas, and Associated Hydrocarbons Lease Agreement (White Sands OBA) located in Grand County, Utah, with Rose Petroleum (Utah) LLC. This proposal was previously reviewed during the Energy and Minerals Committee Meeting held in May.

Mr. Baza raised concerns regarding potential complications with federal leasing for helium, questioning whether federal units encompass the sale and transport of helium products. Ms. Murray clarified that the land in question fell outside the federal unit, but it was nonetheless recommended that TLA verify details with the Bureau of Land Management.

A motion to approve White Sands OBA ML 54722-22 as stated in the Board Memorandum was made by Mr. Mower and seconded by Chair Harris. It was passed unanimously with Ms. James excused.



Chair Harris
Vice Chair Dr. Nelson

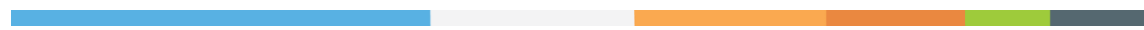
Ms. James

Mr. Mower
Mr. Baza
Mr. Tarbet
Mr. Simons

Item 10E.

Mr. Gregg McArthur reviewed a presentation outlining a Proposed Major Development Transaction located in the Dammeron Valley, Washington County, Utah, with Dammeron Corporation. This action item was reviewed in May's Real Estate Committee meeting and was recommended for presentation to the full board. Details of presentation are located at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 58 - 68).

Following a motion by Mr. Simons and a second by Mr. Tarbet, the board voted to approve the final terms of the development agreement with Dammeron Corporation, as detailed in the Board Memorandum. The board reached a unanimous decision to approve the motion, with Ms. James absent.

		
Yea	Nay	Excused
Chair Harris Vice Chair Dr. Nelson Mr. Mower Mr. Baza Mr. Tarbet Mr. Simons		Ms. James

Item 10F.

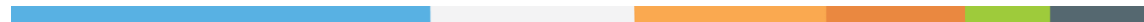
Ms. Alexa Wilson presented terms of a Proposed Amendment to a Major Development Transaction (DEVL 1074) located in Eagle Mountain, Utah County, Utah, with Ivory Homes, Ltd. Presentation details are located at: <https://www.utah.gov/pmn/files/1452701.pdf> (slides 69 - 76). Following a review by the Real Estate Committee in May, this action item proposes an amendment to permit the sale of unimproved commercial parcels, provided specific requirements are met.

Chair Harris inquired about the rationale for selling property before development under the proposed lease amendment. Ms. Wilson confirmed that the financial analysis supports selling two pipeline projects—a 55-acre commercial center and a 5-acre mixed-use parcel—prior to development, as this strategy is projected to generate better returns for the trust.

In response to an inquiry from Mr. Simons regarding water shares and the potential impact of the transaction on water availability, Mr. Pasley clarified that the exact impact remains uncertain. Currently, water is banked with Eagle Mountain, and Ivory is in the process of securing additional shares via the Central Utah Water Availability.

Mr. Tarbet inquired whether the team possesses the necessary bandwidth to manage various incoming projects or proposals on a case-by-case basis. The respondent confirmed that their capacity is sufficient, anticipating only a few such requests annually without overwhelming the system.

A motion was put forward by Mr. Simons and seconded by Dr. Nelson to approve the proposed amendment to DEVL 1074, as outlined in the Board Memorandum. The motion carried by a unanimous vote, with Ms. James noted as absent.

				
Yea	Nay		Excused	
Chair Harris			Ms. James	
Vice Chair Dr. Nelson				
Mr. Mower				
Mr. Baza				
Mr. Tarbet				
Mr. Simons				

Notification Items

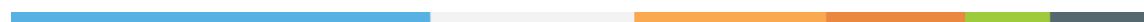
Item 11A.

Notice of a Material Amendment to a Minor Development Transaction located in Kanab, Kane County, Utah (5 +/- acres) with MW-Kanab LLC by Kyle Pasley.

Due to time constraints and the scheduled board tour, the Board opted to forgo a formal review of this notification item, noting that it had already undergone a detailed evaluation during the Real Estate Committee meeting in May.

Adjourn

The meeting was adjourned at 11:32 a.m. following a motion by Mr. Mower, which was seconded by Dr. Nelson. The motion passed unanimously, with Ms. James noted as absent.

				
Yea	Nay		Excused	
Chair Harris			Ms. James	
Vice Chair Dr. Nelson				
Mr. Mower				
Mr. Baza				
Mr. Tarbet				
Mr. Simons				

Board Tour Meeting Minutes

June 18, 2026



TRUST LANDS

ADMINISTRATION

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TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Tour Minutes

Thursday, June 18, 2026

At 11:45 a.m., following the board meeting's adjournment, tour participants gathered at the southeast corner of 102 Tower (102 S 200 E, SLC, UT 84111) to board the bus. Agency personnel verified that no members of the public intended to participate in the tour. Once confirmed, the group proceeded to the initial site visit.

Attendees (on the bus):

Dr. Mike Nelson
Dan Simons
John Baza
Michelle McConkie
Stephanie Renter-Barberia
Chris Fausett
Mike Johnson
Imaan Ahmed
Marla Kennedy
Ginger Checketts
Joelette Organista
Andy Bedingfield
Alexa Wilson
Liz Mumford
Jessie Stuart
Marcus Chen
Paula Plant
Lara Smith

Jim Davis
Russ Cazier
Eric Baim
Drew Bonner
Sherri Mattle
Tyle Wiseman
Keli Beard
Josh Quigley

Attendees (driving own vehicle):

Al Egbert
Mike Healy
Brian Tarbet
Kyle Pasley
Brent Kasza

Stop 1 - Old Southwest Energy Location (Larry H. Miller Project site)

Ms. Alexa Wilson introduced Larry H. Miller Real Estate team and welcomed Mr. Brandon Ames, Project Manager, and Mr. Bart Sharpe, Executive Vice President. Mr. Ames and Mr. Sharpe provided an overview of the Three Canyons Project, a new Larry H. Miller Real Estate community rising on the eastern mountainside of the Saratoga Springs.

This 1,200 acre plan in the Lake Mountain foothills includes a dedicated transportation infrastructure investment to accommodate growth and to extend the Mountain View Corridor. It also adds access to recreation and connected trails, strengthens infrastructure to increase wildfire and flood resilience, and extends the Bonneville Shoreline Trail to connect downtown, the Utah Lake Trail, Eagle Mountain, and the Cedar Valley Communities.

The Three Canyons Project will include up to 2,950 homes, with anticipated first home sales in late 2027.

The Larry H. Miller team addressed an inquiry about the frequency of major runoff occurrences, explaining that such events are extremely rare.

Stop 2 and 3 - Small Dig and Landfill

Ms. Alexa Wilson provided a brief overview of the two sites, noting the small excavation site was used to provide fill material for a nearby landfill.

Following the 1960s, clay excavation resulted in a significant hole that began being utilized as a repository for construction waste in 2000. Under an existing lease set to expire in April 2027, the developer will acquire the land to initiate post-closure reclamation, ultimately transforming the area into a community park. This development plan is necessary as the ground's soil composition is too loose to support structural construction.

Stop 4 - Brixton

On the way to stop number 4, attendees watched a movie on a bus showcasing the Brixton area. Video explained Regional Development is collaborating with four developers to finance and build a new water tank, which will support infrastructure for new and future developments, including the Three Canyons and Brixton Park communities. The project, which also includes coordinating with the Trust Lands Administration for various parcels, aims to serve both immediate development needs and long-term expansion goals while navigating cost-share agreements. Additionally, the presentation notes a future transportation connection between Eagle Mountain and Saratoga Springs that would traverse the Lake Mountain area.

The tour concluded at 3:00 p.m. upon arrival at 102 Tower.

Director's Report 7B

Economic Impact Report

Utah Foundation



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Utah School and Institutional Trust Lands Administration Board of Trustees Memorandum

Date: August 20, 2026

From: Elise Erler, Research & Analytics Director

Re: Economic Impact Report

Presenter: Utah Foundation

Lands: All TLA Ownership

Beneficiary: All Beneficiary Institutions

Summary

The Trust Lands Administration commissioned the Utah Foundation to highlight how the economic activities that generate revenue for designated institutions can also benefit the community. The Utah Foundation conducted case studies on oil and gas, coal, residential real estate, commercial real estate, and innovative energy development. As part of those case studies, the Utah Foundation estimated the economic benefits of these activities to the state and local communities.

The report provides an overview of Utah's trust lands, their management history, and the livelihoods they support. Highlights of the studies discussed in the report include:

- The Uinta Basin oil and gas in Duchesne and Uintah counties has been the dominant source of mineral revenue for the Trust Lands Administration.
- The Drunkards Wash coalbed methane field in Carbon and Emery counties has generated an estimated \$750 million for the Trust Lands Administration since 1998, making it one of the trust's most valuable assets and an early highlight of land exchanges with the US Bureau of Land Management (BLM).
- Real estate development as a trust land revenue source was essentially nonexistent before the Trust Lands Administration's creation in the 1990s. Washington County served as the proving ground for real estate transaction types. The Trust Lands Administration's real estate development model relies on a three-way partnership: the Trust Lands Administration provides land, private developers supply capital, and local government entities provide infrastructure funding and incentives.

- Solar energy dominates the Trust Lands Administration’s renewable energy portfolio, accounting for 70% of all renewable revenue in 2025. The Trust Lands Administration currently has 62,000 acres under geothermal lease, with potential areas totaling 300,000 acres, for long-term future revenues.

Case Studies

The Utah Foundation studied 5 examples of Trust Lands Administration projects to identify each project’s economic benefits to the broader community hosting each project. Each example was chosen for its historical results and/or the implications of its future success. Those case studies are:

- Oil and Gas: Uinta Basin oil and gas.
- Coal: Coal Mining.
- Real Estate Development: Desert Color project in Washington County.
- Real Estate Development: St. George Airport future development in Washington County.
- Innovative Energy Development: Intermountain Power Plant energy systems.

Economic Impact

The economic impacts identified in each case study fall into three main categories: jobs, household earnings, and taxes paid to local and state governments. Those benefits are summarized in Figures A-C.

Jobs generated within local communities:

Across the five case studies, Utah’s trust lands may account for more than 2,100 jobs.

Figure A: Overview of Direct, Indirect, and Induced Jobs on Utah’s Trust Lands, by Case Study

	Low	High
Oil and gas extraction	165	257
Coal mining	206	296
Desert Color development	647	1,089
St. George airport development	154	262
Intermountain Power Plant	194	243

Household Earnings generated within local communities:

Across the five case studies, Utah's trust lands may generate up to \$127 million in household earnings annually.

Figure B: Overview of Projected Household Earnings from the Increase in Jobs on Utah's Trust Lands, by Case Study, Annually

	Low	High
Oil and gas extraction	\$15,200,000	\$24,100,000
Coal mining	\$14,000,000	\$19,900,000
Desert Color development	\$32,000,000	\$54,000,000
St. George airport development	\$9,200,000	\$15,400,000
Intermountain Power Plant	\$10,800,000	\$13,400,000

Taxes generated within local communities:

Across the five case studies, Utah's trust lands may generate up to \$49 million in state and local taxes annually.

Figure C: Overview Projected Taxes and Fees from Utah's Trust Lands, by Case Study, Annually

	Low	High
Oil and gas extraction	\$10,040,000	\$15,760,000
Coal mining	\$830,000	\$1,200,000
Desert Color development	\$4,690,000	\$6,790,000
St. George airport development	\$430,000	\$720,000
Intermountain Power Plant	\$17,540,000	\$24,170,000

Economic Impact Report

The full [Economic Impact Report](#) is large and informative. The report will be released to the public following the Utah Foundation's presentation of the report to the Board of Trustees .

Utah Foundation

Since 1945, leaders, legislators, and community members have relied upon the **illuminating, independent, and nonpartisan public-policy research** produced by the Utah Foundation to support informed decision-making on topics that matter most. As a 501(c)3 with broad community support and a

60-member board, the Utah Foundation exists to empower **civic engagement as the foundation for enhanced quality of life for Utahns.**

Discussion Item 9A

Special Use Lease Agreement (SULA 2095 OBA)

Carbon County, Utah



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SUPPORTING SCHOOLS AND INSTITUTIONS

Utah School and Institutional Trust Lands Administration Board Meeting Discussion Memorandum

Date: August 20, 2026

From: Bryan Torgerson, Assistant Managing Director, Surface Resources
Mike Healy, Lease Manager- Industrial SULAs
Jim Davis, Managing Director- Surface Resources

Applicant: Valar Atomics Inc.

Lands: T14S, R11E, Section 16: All*
Carbon County

Acreage: 640* acres (+/-)

Beneficiary: Public Schools Trust

Summary

The agency proposes a Special Use Lease Agreement Other Business Arrangement (OBA) consisting of up to 640 acres of trust lands in Carbon County (SULA 2095-OBA) with Valar Atomics Inc. (Valar Atomics). The purpose of the OBA is the operation of an integrated nuclear energy, advanced manufacturing, critical mineral refining, and data center computing campus. Pursuant to Utah Code § 53C-1-303(3)(e) and Utah Administrative Code R850-30-305, the agency may enter into an OBA with Board approval. The proposed lease agreement is an OBA because it would include an option for the applicant to purchase trust lands.

Key Information and Background

The proposed OBA is located approximately five miles north of Wellington in Carbon County and includes up to 640 acres of trust lands (see attached map). The applicant desires to use the subject property for the development, manufacture and operation of high-temperature gas cooled nuclear reactors (HTGR) to generate electrical power and related commercial activities which could include workforce development

and training facilities, on-site concrete batch plants, advanced manufacturing including component and subcomponent manufacturing, TRISO (tristructural isotropic) fuel manufacturing, hydrogen and synthetic fuels production and partnering with data centers, water desalination, and steel manufacturing.

Prior to any construction the applicant must obtain all required permits and approvals from local, state, and federal entities with regulatory oversight of the various project components, as further detailed herein. The OBA agreement secures the subject property as a potential location for the facilities, which is a necessary first step for the applicant to proceed with the other required permitting and licensing processes, and ultimately allows them to construct the facilities on the subject property **only if** they successfully obtain all required permits, licenses, and approvals.

Applicant

Founded in 2023, Valar Atomics features a team of engineers and scientists with specialized backgrounds in nuclear engineering, reactor physics, and advanced manufacturing. They are focused on the development of small modular reactors (SMRs) to deliver reliable, carbon-free energy to industrial and commercial off-takers. They are actively developing modern manufacturing techniques for existing technologies, including both nuclear reactors and nuclear fuel.

In August of 2025, Valar Atomics was selected for the U.S. Department of Energy (DOE) Reactor Pilot Program, established under President Trump's Executive Order 14301, to achieve criticality on American soil by July 4, 2026. In November 2025, Valar Atomics achieved criticality at Los Alamos National Laboratory using its NOVA core, demonstrating early-stage validation of its nuclear design and neutronics performance. On June 18, 2026, Valar Atomics' Ward 250 reactor – a complete, fully integrated system configured for power operations—achieved criticality and completed zero-power testing at the San Rafael Energy Lab in Emery County. The reactor reached full power operations on June 21, 2026, and generated electricity on July 1, 2026 demonstrating that it can sustain a controlled nuclear chain reaction, produce thermal heat, produce electricity, and do so safely.

The U.S. Department of Energy (DOE) has reviewed and approved preliminary safety documentation for the Valar Atomics Research Reactor, including the Documented Safety Analysis (DSA) for the Ward 250 design, including the one at their San Rafael facility. In addition, Valar Atomics has received a Certificate of Readiness (COR) associated with these safety submissions and has brought and sustained that reactor through an initial testing campaign. The applicant represents that these approvals reflect their ability to meet rigorous federal safety and documentation standards and position them to advance toward licensing, demonstration, and commercial deployment phases.

Subject Property*

The subject property consists of 640 acres in Carbon County as depicted on the attached map. Current authorizations on the property include easements for fiber optic lines, a power line, and a county road, along with a livestock grazing permit and an existing special use lease on a portion of the property issued to the Utah National Guard (UNG).

The UNG lease (SULA 1321) occupies 160 acres of the 640-acre section (the southeast quarter of the section). That agreement allows UNG engineering battalions to conduct maneuvers, mobility, and survival training. They may construct bunkers and ditches, etc., but may not discharge munitions. There are no existing structures on the lease site. TLA staff are working with UNG to find a suitable area to relocate their lease, which would make the full 640-acre section available for lease to Valar Atomics. It is anticipated that the costliest part of relocating the UNG lease would be conducting the required cultural resource survey on the new lease property, if required. The survey work would either be conducted by TLA's in-house archaeologists or by a contractor, with the associated costs reimbursed by Valar Atomics.

The lease agreement with Valar Atomics would include the 480-acre portion of the subject property that is not encumbered by the UNG lease, with an option for the 160-acre UNG leased portion of the property to be included at a later date if the UNG lease is successfully relocated.

Prior to construction, the livestock grazing permit (GP 22396) would be terminated per agency rules and in accordance with the terms of the permit. TLA will provide as much notice as possible to the permittee prior to termination.

Notice and Advertising

TLA solicited competitive applications to purchase, lease, or exchange for the subject property through notices posted in the local newspaper, the TLA website, and sent to existing lessees/permittees and adjoining landowners per agency rule R-850-30-500. No competitive offers were received prior to the application deadline.

Notice was posted to the State of Utah's Resource Development Coordinating Committee (RDCC) dashboard for a 30-day period and sent to the Carbon County Commission and the Southeastern Regional Development Agency (SERDA). The Utah Division of Water Rights (UDWRi) submitted a comment through the RDCC system noting that if Valar Atomics intends to conduct activities requiring the diversion of water or a change to an existing water right, they will need to submit the appropriate applications to the Utah Division of Water Rights and obtain approvals prior to the commencement of the project. TLA staff have had multiple discussions with Carbon County commission members regarding the proposed project and the commission has submitted a letter of support for the project.

Carbon County, SERDA, and the Utah Office of Energy Development (OED) have hosted a series of public workshops to inform the public about nuclear energy technology of which Valar Atomics has actively participated and Valar Atomics has also hosted a public open house to discuss their operations at the San Rafael Energy Lab. Valar Atomics has indicated that they intend to continue their public outreach and engagement efforts regarding the proposed project.

Water Requirements

As proposed, the high-temperature gas-cooled reactors use a closed-loop helium cooling system which does not require water for reactor cooling, eliminating the largest potential consumptive water demand associated with conventional power generation. The proposed water needs would be determined as the

facility is engineered and designed but is anticipated to utilize closed-loop recycling systems to minimize freshwater withdrawal and discharge volumes.

The Utah Division of Water Rights administers the measurement, appropriation, apportionment, and distribution of the state's water resources. The subject property falls within Utah Water Rights Area 91. Surface and ground-water resources in this area are considered to be fully appropriated, with the exception of some small appropriations to serve the domestic purposes of one family, the irrigation of one acre, and ten head of livestock. Therefore, Valar Atomics will be required to obtain existing water rights sufficient to meet the project needs and file a change application with the UDWRi to change the approved use, place of use, and point of diversion of the water rights. Change applications are considered by UDWRi on their individual merits with emphasis on their potential to interfere with existing water rights and to ensure that there is no enlargement of the underlying rights. Applications are publicly advertised and potentially affected persons may file protests with UDWRi. UDWRi may choose to hold a public hearing as part of the application consideration process before issuing a decision.

Nuclear Safety

Information provided by Valar Atomics states that the HTGR's inherent safety characteristics provide the nuclear safety foundation for all on-site reactor operations. Key safety features include negative temperature reactivity coefficients, fully passive decay heat removal without operator action or external power (walk-away safety), and TRISO ceramic multi-layer fuel containment that retains fission products.

Federal Regulation and Oversight

The regulation of SMRs involves a dual federal framework featuring the DOE for development funding, pilot authorizations, and research, alongside the U.S. Nuclear Regulatory Commission (NRC) for commercial safety licensing and standard design certifications. These entities enforce strict licensing, monitoring, inspection, safety, and security requirements that Valar Atomics will be required to adhere to in developing, constructing, and ultimately operating the facility. NRC licensing is a public process, requiring Federal Register notice and providing opportunities for public meetings, formal comments, and legal hearings.

Zoning and Local Land Use Requirements

The subject property is located within unincorporated Carbon County and is currently zoned by the county as Mining and Grazing (M&G). Large-scale industrial projects are allowed as a conditional use within the M&G zone. Prior to developing any facilities on the subject property, the applicant must obtain all required local land use approvals, including a conditional use permit (CUP), from the appropriate county authority. As part of the CUP review process the applicant will be required to submit detailed site plans for review by the county planning commission and may be required to post a financial guarantee to the county. Development must meet established engineering, design, and construction

standards and any other conditions required by the county. The CUP process is a public process requiring the publishing of notice, a public hearing, and the acceptance of public comments.

Fuel Feedstock Delivery & Handling

High-assay low-enriched uranium (HALEU), low-enriched uranium plus (LEU+) or Low Enriched Uranium (LEU) feedstock may be delivered to the site in certified Special Nuclear Material (SNM) containers per NRC, US Department of Transportation (DOT), and DOE regulations. That uranium feedstock would then be manufactured into TRISO fuel pellets for utilization of the reactors on-site.

Spent Fuel Storage and Radioactive Waste

The management, storage, transportation, and disposal of spent nuclear fuel and radioactive waste are governed by NRC, DOT, DOE, EPA, and Utah DEQ requirements, and any such activity on the site would require applicable federal and state licenses, permits, and approvals prior to commencement.

Per the terms of the OBA agreement, Valar Atomics would be required to purchase any portion of the subject property required for the interim storage of spent fuel prior to any storage operations. The storage of any spent fuel is not allowed on TLA property under the OBA agreement.

Hazardous Materials & Waste Handling

Hazardous and regulated materials storage and handling are governed by the Resource Conservation and Recovery Act (RCRA), the Occupational Safety and Health Administration (OSHA), the National Fire Protection Association (NFPA), the Utah Department of Environmental Quality (DEQ), DOT, DOE, and NRC regulatory requirements.

Small quantities of hazardous waste may be generated from manufacturing operations (spent cutting fluids, waste solvents, paint waste). An RCRA generator determination would be completed prior to operations. If quantities exceed thresholds, wastes would be managed under the RCRA large quantity generator program and shipped to licensed treatment, storage, and disposal (TSD) facilities.

Wastewater

Any Industrial wastewater (cooling water, hydrostatic testing, washdown) generated would be treated and discharged under a Utah Pollutant Discharge Elimination System (UPDES) permit issued by the Utah DEQ Division of Water Quality (DWQ). The issuance of UPDES permits is a public process with a formal public comment window. Core compliance requirements include a Stormwater Pollution Prevention Plan (SWPPP), regular monitoring, and documented field checks.

Stormwater

Stormwater will be managed under a UPDES permit issued by the Utah DEQ. Natural drainage channels provide conveyance corridors. SWPPP will be implemented with best management practices (BMPs) for erosion control, hydrocarbon containment, and material storage runoff management.

Sewage/Domestic Water

A municipal sewer connection may be explored to connect existing sewer infrastructure. Sewage may also be handled through an on-site package treatment plant permitted through the Utah DEQ, sized for the campus workforce. At full buildout, a campus wastewater treatment plant with UPDES discharge authorization may supplement the initial system. Treated effluent would be required to meet Utah R-317 water quality standards.

Air Quality

Manufacturing operations may generate conventional air emissions which would be managed under a Utah DEQ Division of Air Quality (DAQ) permit per Utah Administrative Code R-307. Nuclear reactor operations produce zero combustible emissions. Natural gas and diesel use is anticipated to be limited to backup and peaking generation during construction. Additional natural gas generation will require an air quality permit obtained from Utah DEQ/DAQ by the applicant. The air quality permit process includes mandatory public involvement, including a public notice and comment period.

Seismic and Geologic Hazards

Information submitted by the applicant states that the site is in a low-seismicity zone. No Quaternary-active faults exist within the site boundary. The nearest mapped Quaternary features are the Pleasant Valley fault zone, approximately 20 miles to the northwest, and faults in the Price River area to the southeast. DOE and NRC guidelines for site characterization, including seismicity, are required as part of the federal licensing process for reactor deployment.

Environmental Monitoring

Valar Atomix states that environmental monitoring will follow federal and state regulation and could include air quality, groundwater, and any applicable surface water stations, including reporting as required under federal and state regulations. Radiological environmental monitoring would be conducted per applicable federal license requirements.

Emergency Response

Information provided by the applicant states that on-campus emergency response capability would be established commensurate with federal licensing requirements, incorporating integrated fire protection, HAZMAT response, radiological emergency response, and emergency operations coordination functions. The scope and staffing of these capabilities would be determined through the emergency planning process associated with reactor licensing, including Emergency Planning Zone (EPZ) sizing under federal requirements. Valar Atomix will adhere to all federal, state and local emergency response regulations.

Material Terms of the Transaction

Term

The OBA will have an initial term of 50 years with two optional 25-year extensions, provided the lease remains in good standing. At any time during the lease term, the lessee may opt to purchase all, or a portion of, the property per the purchase option outlined below.

The 50-year initial term with two 25-year extensions is structured to support the intensive capital investment required and the long operational lifespan of a nuclear energy facility. Also, because development is planned across multiple phases progressing from manufacturing construction to reactor fleet deployment, and because it is intended to remain in operation for many decades, the integrated campus will take many years to build.

Payments to Trust Lands Administration

- An upfront bonus payment of \$400,000, due upon agreement execution
- Years 1-5: Development Phase rental of \$30 per acre
- Year 6: \$206.25 per acre (33% of the full rental of \$625 per acre)
- Year 7: \$418.75 per acre (67% of the full rental of \$625 per acre)
- Years 8-10: Full rate of \$625 per acre
- Year 11 and every five years thereafter: rental increase based on Consumer Price Index (CPI)

After Year 25, and every 25 years thereafter, TLA reserves the right to adjust rent based on an appraisal of the property or leasehold interest, utilizing comparables from other private, federal, and state leases. The purpose for this adjustment is to recognize long-term market shifts and potential value increases of the property. Any market appraisal adjustment will replace the CPI adjustment for that specific year, and the standard five-year CPI adjustments will resume thereafter.

Purchase Option:

Under the agreement, Valar Atomix will have the option to purchase all, or a portion of, the subject property at any time during the term of the agreement. Additionally, before any portion of the property may be utilized for the storage of radioactive waste, that portion, as determined by TLA, must be purchased by the lessee.

The purchase price of the property will be determined as the greater of:

- The net present value (NPV) of future lease payments for the 50-year period following the purchase date, calculated at a 5.5% discount rate and a projected annual CPI increase of 3%, adjusted every five years, or;
- The fair market value (FMV) of the property based on an appraisal obtained by TLA.

Purchase Year	Purchase Price	Project NPV	NPV / Acre
10	\$10,164,109	\$6,496,786	\$10,151
20	\$12,055,410	\$6,087,532	\$9,512
25	\$14,675,590	\$6,287,917	\$9,825

Bonus and rental payments made during the first fifteen years of the lease will be applied as a credit towards the purchase price. Lease rental payments made after year fifteen will not be applied toward the purchase of the property.

Early Termination

Prior to construction on the property, Valar Atomics may terminate the lease at its discretion by providing 30-days' written notice to TLA. In the case of early termination, TLA would retain all bonus and rental payments paid to date. Once construction occurs, Valar Atomics may terminate the lease at its discretion but will be required to remove all improvements, reclaim the property, and pay the equivalent of two years' annual rental as an early termination payment.

Risk Mitigation/Financial Assurance

In addition to the strict and substantial regulatory oversight of the project by multiple local, state, and federal entities as previously detailed, including any financial assurance required by those regulatory entities, Valar Atomics must maintain robust financial assurance with TLA as a requirement of the lease OBA. Prior to any construction on the site, they will be required to post site restoration, reclamation, and performance bond with TLA based on a site-specific cost estimate developed by an independent third-party contractor. Valar Atomics will be required by the NRC to provide financial assurance for decommissioning. Normally this is required before operations begin.

Board Committee Discussion

The Board's Surface Resources Committee initially discussed the proposed lease OBA agreement with Valar Atomics on July 20, 2026 and again at a follow-up meeting on July 28, 2026. Representatives from Valar Atomics were present at the July 28 meeting to present information regarding the proposal and answer questions from the committee members.

During the committee meetings several points were discussed regarding the project including safety, water usage, radioactive material handling and storage, the regulatory and permitting requirements of

the facility, engagement with the local community, and risk management. Given recent public attention and discourse related to nuclear energy and data centers, the committee discussed the need for full transparency regarding the proposed project and requested that Valar Atomics continue their outreach efforts in the local community with a specific focus on the project proposal. The committee noted the letter of support submitted by Carbon County and the public outreach efforts already undertaken by the applicant regarding their project at the San Rafael Energy Lab and nuclear energy development in general.

The committee indicated that the financial aspects of the transaction were positive for the trust beneficiary, especially considering the property involved, but did direct staff to have further discussion with the applicant regarding some of the proposed financial terms. Overall, the committee was optimistic about the potential of the project and the associated technology but urged prudence as the agency moves forward with a potential transaction.

Committee members indicated that they wanted to ensure the full board had ample time to evaluate the proposal and that stakeholders were informed about the proposed lease OBA. To that end, the committee suggested that staff present the proposal to the full board as a discussion item for initial consideration at the August board meeting, followed by a potential vote on the lease OBA at the September meeting.

Staff Recommendation and Rationale

Staff recommends approval of the proposed lease OBA agreement. Doing so will provide the applicant with site control over the subject property needed to conduct detailed site evaluations and due diligence activities and allow them to begin the rigorous permitting and licensing process required to ultimately construct and operate the proposed campus. The permitting and licensing process involves multiple touch points for public input and evaluation by experts to address the protection of public health and safety and the environment, substantially mitigating risks to the Trust.

The proposed transaction represents a strong financial opportunity for the Trust to generate revenue from a property which has heretofore generated little income (approximately \$4,000 per year). The applicant is positioned at the forefront of the development of next-generation nuclear technology and has demonstrated their ability to perform in a safe and secure manner at the San Rafael Energy Lab. Furthermore, the Carbon County Commission is strongly supportive of the proposed project and has provided a letter of support to the Board.

Requested Action

The proposed transaction is presented for the board's consideration, and no action is requested at this time.

Appendix A

Carbon Co letter of support



**CARBON
COUNTY
UTAH**

Board of County Commissioners

Carbon County
Administration Building
751 East 100 North
Price, UT 84501
Office: (435) 636-3226
www.carbon.utah.gov

June 29, 2026

SITLA Board of Trustees

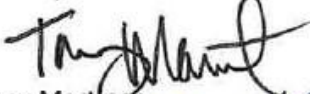
Dear Board members,

Carbon County has been working with Valor Atomics for over one year and find their project promising. Their desire to locate north of Wellington on SITLA lands would be a good fit for them. We are in favor of this project and would appreciate your approval of allowing them to locate there.

Their project will help add value to our tax base which will lighten the tax burden on our local property owners. The loss of coal mines and supporting industries have reduced the Centrally Assessed Values in the county shifting the tax burden onto the homeowners.

We are in support of Valor's efforts and hope they can find property that will help them locate here.

Thank you very much for your consideration.


Tony Martinez


Jared Haddock

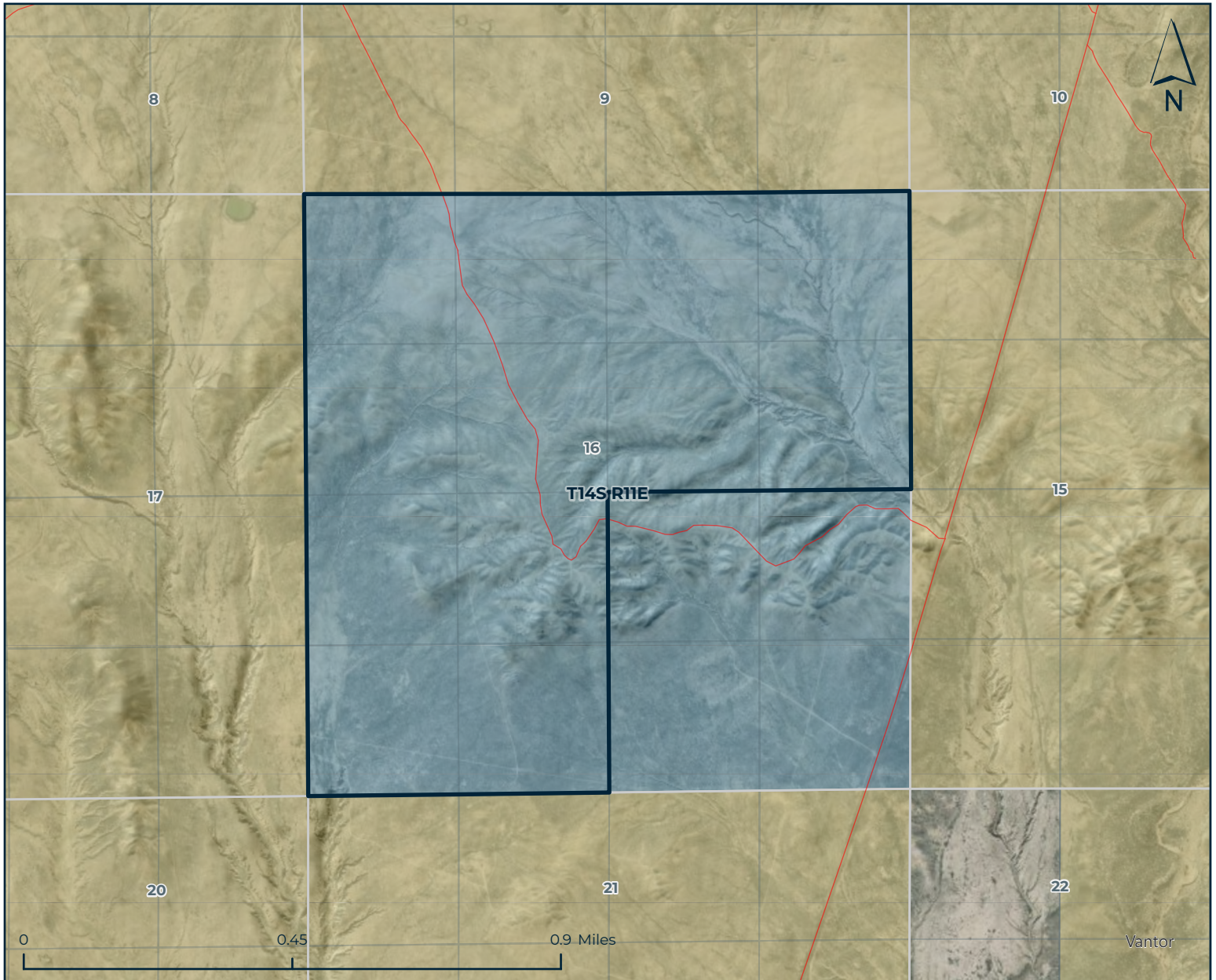

Larry Jensen

Jared Haddock
Commissioner

(435) 636-3272
jared.haddock@carbon.utah.gov

Larry Jensen
Commissioner
(435) 636-3273
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Tony Martinez
Commissioner
(435) 636-3271
tony.martines@carbon.utah.gov



Special Use Lease Agreement No. 2095

 Special Use Lease Agreement No. 2095

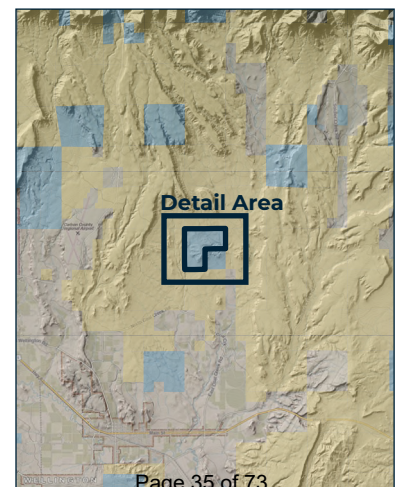
Land Ownership and Administration

 Bureau of Land Management

 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. 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 or 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 801-538-5100 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: April 09, 2026 - banderson1



Action Item 10A

Proposed Board Policy on Budget Review

Michelle McConkie, Executive Director



TRUST LANDS

ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

The Board of Trustees
of the
State of Utah
School and Institutional Trust Lands Administration
Board Policy

Budget Review Policy

Board Policy No: 2026-02
Effective Date:
Pages:

By the Board:

Chairperson

The Board of Trustees (the “Board”) of the School and Institutional Trust Lands Administration (the “Administration”), by majority vote in open, public meeting on _____, declares the following to be an official policy of the Board regarding the Board’s involvement in the annual budget review process.

1. The purpose of this policy is to establish a budget review and approval process that ensures the Board receives sufficient information to evaluate and approve the Administration’s annual budget, in accordance with Utah Code 53C-1-303(1)(e).
3. In preparing the annual operating budget, the Administration shall:
 - a. Conduct an analysis of agency needs, including staffing, compensation, technology, capital, operational, and other resource requirements necessary to fulfill the Administration’s duties;
 - b. Align budget requests with the goals, objectives, and priorities identified in the Administration’s Strategic Plan;
 - c. Evaluate anticipated revenues, expenditures, and resource needs over both the short and long term; and
 - d. Ensure budget recommendations are consistent with the constitutional, statutory, and fiduciary duties owed to trust beneficiaries.
4. The Administration shall submit budget materials to the Board that are sufficient to allow meaningful review and approval of the proposed operating budget. At a minimum, the budget package shall include:
 - a. A detailed base budget request for the fiscal year for which approval is sought, organized by budget line item;
 - b. A summary of all proposed new funding requests, including:
 - i. One-time funding requests and supporting justifications;
 - ii. Ongoing funding requests and supporting justifications;

- iii. Supplemental funding requests and supporting justifications;
 - iv. Proposed reallocations among budget line items; and
 - v. Any other significant budget adjustments.
 - c. An explanation of how requested increases and new funding support the Administration's Strategic Plan and operational priorities;
 - d. A summary of anticipated revenues and budgeted expenditures for the current fiscal year;
 - e. A summary of actual revenues and expenditures for the most recently completed fiscal year; and
 - f. Any additional information requested by the Board to facilitate budget review.
- These budget materials will be provided to Board members by those timelines set forth in the budgeting calendar.
5. The Board shall review the proposed operating budget and supporting materials and may request additional information and provide guidance regarding budget priorities and resource allocation.
 6. A streamlined Board memorandum summarizing the proposed budget will be included in the applicable Board meeting packet. Upon Board approval, the Director shall submit the approved budget through the appropriate state budget process.
 7. The Administration shall develop and maintain an annual budget calendar to facilitate timely planning, review, and approval of the annual budget. The calendar should generally include:
 - a. Internal assessment of budget needs, staffing requirements, and strategic priorities;
 - b. Development of preliminary budget requests and funding proposals;
 - c. Review by the Administration's executive leadership team;
 - d. Submission of proposed budget materials to the Board;
 - e. Board review and discussion of the proposed budget;
 - f. Board approval of the annual budget; and
 - g. Submission of the approved budget through the state budget process.

The specific dates and milestones may be adjusted each year as necessary to comply with state budget deadlines and operational needs. The most up-to-date version of the budgeting calendar will be sent to members of the Board each fiscal year.

Action Item 10B

FY2028 Budget Approval

Deborah Memmott, Director of Finance



TRUST LANDS

ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



Board of Trustees Memorandum

Date: August 20, 2026

From: Deborah Memmott, Finance Director

Re: Approval of FY 2028 Base Budget and New Budget Requests

Summary

Utah Code 53C-1-303(1)(e) requires the Board of Trustees to approve the Trust Lands Administration's annual operating budget before these numbers are submitted for inclusion in the Governor's fiscal year 2028 budget recommendations. The Governor's Office of Planning and Budget has asked for FY 2028 budget requests by September 4, 2026. Trust Lands Administration's annual budget appropriation request is summarized below. Approval is needed for the FY 2028 base budget as well as all additional new appropriation requests.

Key Information and Background

The base budget for FY 2028 is calculated by taking the current FY 2027 legislative approved budget and deducting any one-time FY 2027 appropriations. Any new appropriation requests for FY 2028 are added to the base budget to equal the total budget request for the year.

Base Budget

	Current FY2027 Budget*	Subtract one-time	FY 2028 Base Budget
Operating Budget	\$21,284,400	\$(4,560,000)	\$16,724,400
Capital Budget	\$5,000,000		\$5,000,000
Stewardship Budget	\$1,099,200		\$1,099,200
Total Budget	\$27,383,600	\$(4,560,000)	\$22,823,600

*per 2026 General Session – HB2, HB5, HB8, and SB8

Trust Lands Administration is requesting board approval for the FY 2028 base budget and the following new budget requests –

- An on-going increase of \$336,000 for two new full-time Resource Specialist positions to cover salary, retirement and benefits. The funding will be used to hire 1) a Real Estate Project Manager

to help with market driven land development projects; and 2) a Land Planner to direct long-term vision and master planning of undeveloped holdings.

- A one-time increase of \$300,000 for professional services related to land valuation. This funding will be used to continue working on our comprehensive land valuation and management model as required by the statutory changes made during the 2025 General Session.
- An on-going increase of \$140,000 for a new full-time Archaeologist to cover salary, retirement and benefits. This position will help the agency prioritize range and agricultural projects, while reducing project completion time and overall costs.
- An on-going addition of \$200,000 to our IT budget to cover the rising costs due to changes in the technology environment.
- An on-going increase to the Stewardship budget line of \$200,000 to expand our capacity to complete more stewardship projects.
- A one-time increase of \$1,500,000 to provide funding for a federal land exchange. This request will cover appraisals, environmental assessments and other costs associated with the exchange.

Request Action

The agency requests that the Board approve the FY 2028 base budget and additional appropriation budget requests for FY 2028.

Action Item 10C

Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2021-OBA)

Juab and Millard Counties, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



TRUST LANDS ADMINISTRATION

SUPPORTING SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: August 20, 2026

From: Chanse Rinderknecht, Geoscientist and Lease Manager
Energy & Minerals

Re: Geothermal Exploration Agreement with Option to Lease (RNBL 2021-OBA)

Applicant: Scoville Resources LLC

Location: See Appendix A

Acreage: 21,616 acres (+/-)

Beneficiary: Public Schools Trust

Summary

The agency requests the Board approve this Geothermal Exploration Agreement with Option to Lease Other Business Arrangement (OBA) for lands in Juab and Millard 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 on the standard lease form via the competitive lease process.

Key Information and Background

The Drum Mountain area is also part of the Sevier Geothermal Belt and has been identified as having geothermal potential based on heat-flow maps. The broader area of interest has been the focus of geothermal investigations, including shallow temperature-gradient wells showing elevated temperatures

The Resource: Geothermal

The Applicant: Scoville Resources, LLC

Material Terms of the Transaction

Exploration Agreement:

1 st year - \$1/acre
2 nd year - \$2/acre
3 rd year - \$3/acre
4 th year - \$4/acre
5 th year - \$5/acre

Primary Term: The applicant will receive a 10-year primary term lease agreement.

Payments to Trust Lands Administration:

- 1) Production royalty rate of 2.5 % for the first 5 years and 3.5% thereafter
- 2) Advanced Minimum Royalty of \$5/acre

Work/Expenditure Requirements: Scoville is set to perform an in-depth geologic evaluation, economic evaluation, and infrastructure study.

Data Reporting Requirements: The agency will require year-end reports as well as yearly updated plans of development.

Rationale

Scoville Resources consists of a technically efficient team with a record of production. Geothermal potential in the Drum Mountain area is interpreted to originate from Cenozoic magmatism, combined with widespread Miocene extensional tectonics

Committee Discussion

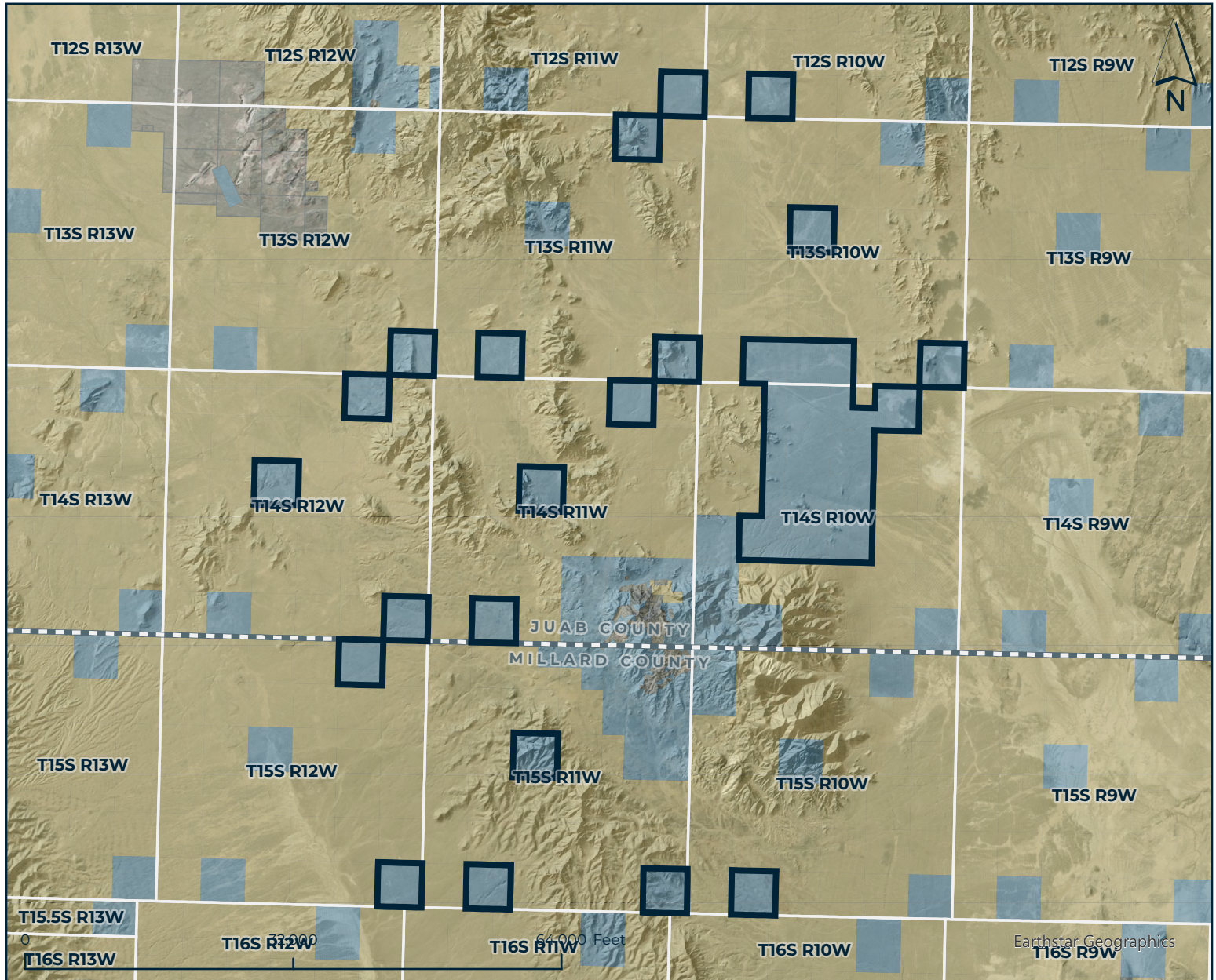
The Mineral Committee reviewed the OBA proposal and had no questions or concerns. The proposal was recommended to be presented to the full Board for consideration.

Requested Action

The agency requests that the Board approve the OBA and offers the following proposed motion: "I move to approve RNBL 2021-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 – Subject Lands

T12S R10W Section 32, SLB&M
T12S R11W Section 36, SLB&M
T13S R10W Section 16, SLB&M
T13S R10W Section 32, SLB&M
T13S R10W Section 33, SLB&M
T13S R10W Section 34: W2, SLB&M
T13S R10W Section 36, SLB&M
T13S R11W Section 2, SLB&M
T13S R11W Section 32, SLB&M
T13S R11W Section 36, SLB&M
T13S R12W Section 36, SLB&M
T14S R10W Section 2, SLB&M
T14S R10W Section 3: NW, S2, SLB&M
T14S R10W Section 4, SLB&M
T14S R10W Section 5: E2, SLB&M
T14S R10W Section 8: E2, SLB&M
T14S R10W Section 9, SLB&M
T14S R10W Section 10, SLB&M
T14S R10W Section 15, SLB&M
T14S R10W Section 16, SLB&M
T14S R10W Section 17: E2, SLB&M
T14S R10W Section 20, SLB&M
T14S R10W Section 21, SLB&M
T14S R10W Section 22, SLB&M
T14S R11W Section 2, SLB&M
T14S R11W Section 16, SLB&M
T14S R11W Section 32, SLB&M
T14S R12W Section 2, SLB&M
T14S R12W Section 16, SLB&M
T14S R12W Section 36, SLB&M
T15S R10W Section 32, SLB&M
T15S R11W Section 16, SLB&M
T15S R11W Section 32, SLB&M
T15S R11W Section 36, SLB&M
T15S R12W Section 2, SLB&M
T15S R12W Section 36, SLB&M

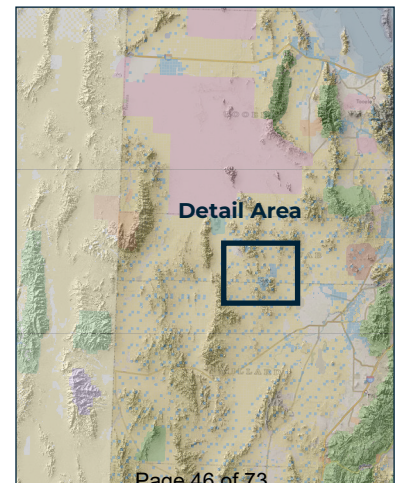
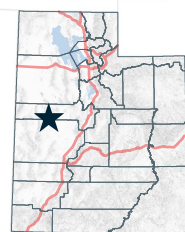


 Renewable Geothermal No. 2021 - 21,616 Acres

Land Ownership and Administration

-  Bureau of Land Management
-  Private
-  State Trust Lands
-  State Wildlife Reserve/Management Area

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Action Item 10D

Proposed Geothermal Exploration Agreement with Option to Lease OBA (RNBL 2022-OBA)

Millard County, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



TRUST LANDS ADMINISTRATION

SUPPORTING SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: August 20, 2026

From: Chanse Rinderknecht, Geoscientist and Lease Manager
Energy & Minerals

Re: Geothermal Exploration Agreement with Option to Lease (RNBL 2022-OBA)

Applicant: Scoville Resources LLC

Location: See Appendix A

Acreage: 10,991 acres, more or less

Beneficiary: Public Schools Trust

Summary

The agency requests the Board approve this Geothermal Exploration Agreement with Option to Lease Other Business Arrangement (OBA) for lands in Millard 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 on the standard lease form via the competitive lease process.

Key Information and Background

The Cove Fort area is part of the Sevier Geothermal Belt, a region identified as having significant geothermal potential based on regional and local heat-flow maps. The area hosts known geothermal systems as well as active geothermal power plants.

The Resource: Geothermal

The Applicant: Scoville Resources, LLC

Material Terms of the Transaction

Exploration Agreement:

1 st year - \$1/acre
2 nd year - \$2/acre
3 rd year - \$3/acre
4 th year - \$4/acre
5 th year - \$5/acre

Primary Term: The applicant will receive a 10-year primary term lease agreement.

Payments to Trust Lands Administration:

- 1) Production royalty rate of 2.5 % for the first 5 years and 3.5% thereafter
- 2) Advanced Minimum Royalty of \$5/acre

Work/Expenditure Requirements: Scoville is set to perform an in-depth geologic evaluation, economic evaluation, and infrastructure study.

Data Reporting Requirements: The agency will require year-end reports as well as yearly updated plans of development.

Rationale

Scoville Resources consists of a technically efficient team with a record of production. Geothermal potential in the Cove Fort area appears to result from a combination of pervasive Cenozoic magmatism and volcanism, extending into the Pleistocene, along with widespread Miocene extension/recent faulting.

Committee Discussion

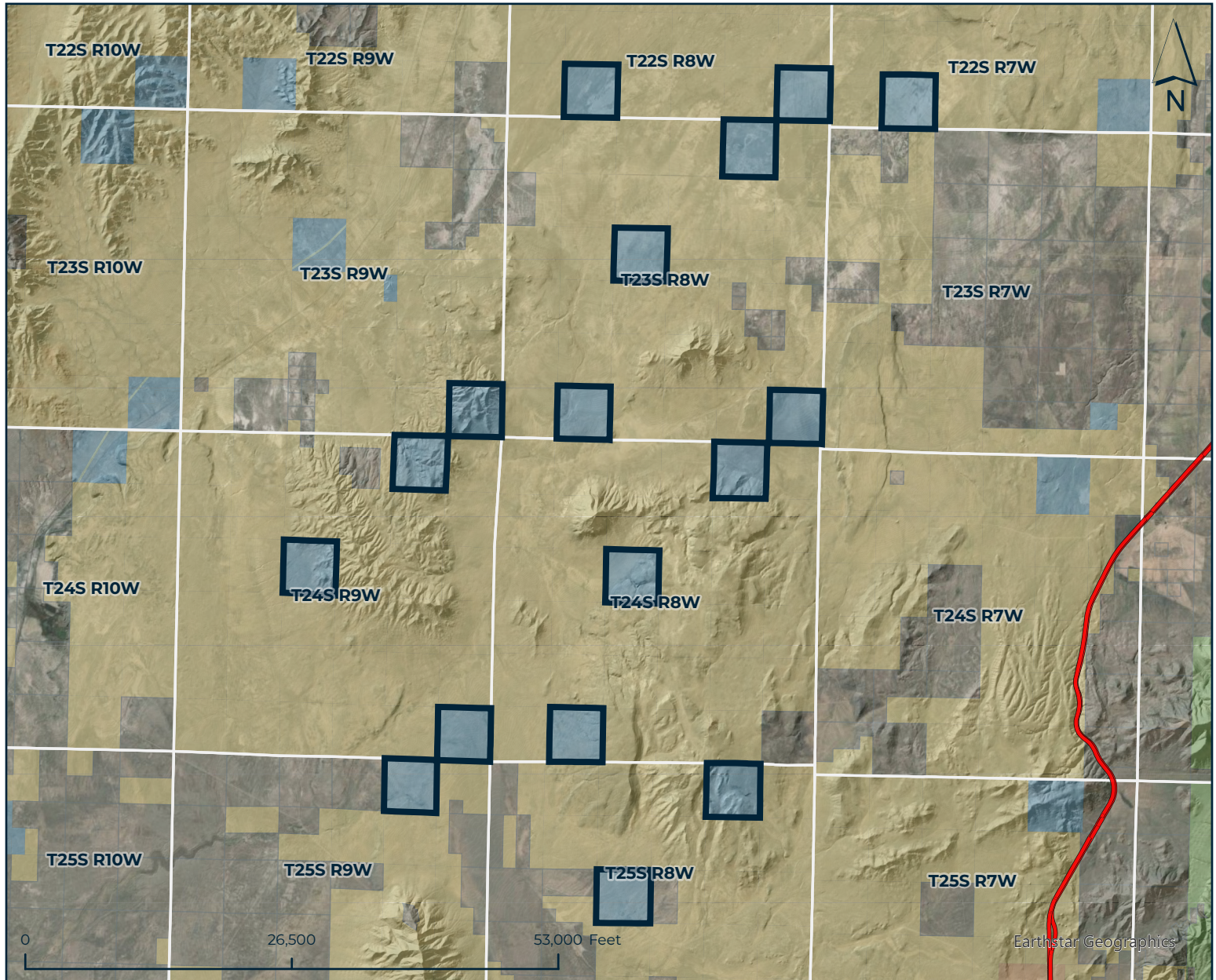
The Mineral Committee reviewed the OBA proposal and had no questions or concerns. The proposal was recommended to be presented to the full Board for consideration.

Requested Action

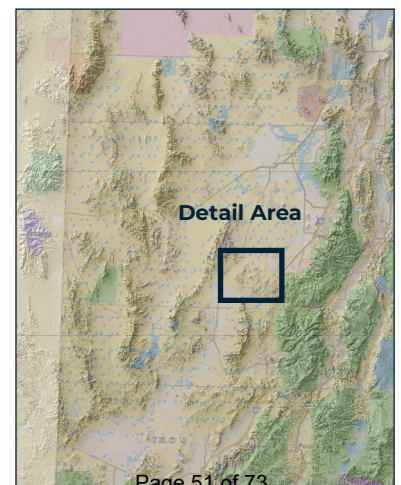
The agency requests that the Board approve the OBA and offers the following proposed motion: "I move to approve RNBL 2022-OBA on the terms set forth in the Board Memorandum and to have the agency take all further actions necessary to finalize the transaction."

Appendix A - Subject Lands

T22S R7W Section 32, SLB&M
T22S R8W Section 32, SLB&M
T22S R8W Section 36, SLB&M
T23S R8W Section 2, SLB&M
T23S R8W Section 16, SLB&M
T23S R8W Section 32, SLB&M
T23S R8W Section 36, SLB&M
T23S R9W Section 36, SLB&M
T24S R8W Section 2, SLB&M
T24S R8W Section 16, SLB&M
T24S R8W Section 32, SLB&M
T24S R9W Section 2, SLB&M
T24S R9W Section 16, SLB&M
T24S R9W Section 36, SLB&M
T25S R8W Section 2, SLB&M
T25S R8W Section 16, SLB&M
T25S R9W Section 2, SLB&M



-  Renewable Geothermal No. 2022 - 10,991 Acres
-  Other State
-  Tribal Lands
- Land Ownership and Administration**
-  Bureau of Land Management
-  National Forest
-  Private
-  State Trust Lands



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Action Item 10E

Proposed Metalliferous Minerals Exploration Agreement with Option to Lease (ML 54730 OBA)

Beaver County, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



Board of Trustees Memorandum

Date: August 20, 2026

From: Tyler Wiseman, PG, Geoscientist & Lease Manager
Energy & Minerals

Re: Metalliferous Minerals Exploration Agreement with Option to Lease (ML 54730 OBA)

Applicant: Freeport-McMoRan Mineral Properties Inc., (FMMP)
6620 S Memorial PI #150
Tucson, Arizona 85756

Location: T28S, R15W, Sections 31 and 32
T28S, R16W, Section 36
T29S, R16W, Section 2
Beaver County

Acreage: 2,559.93 acres (+/-)

Beneficiary: Public Schools Trust

Summary

The agency requests the Board approve this Metalliferous Minerals Exploration Agreement with Option to Lease OBA (ML 54730 OBA) for lands in Beaver 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 on the standard lease form via the competitive lease process.

Key Information and Background

The proposed OBA is located in the Pine Grove mining district on the southern edge of the north-northeast trending Wah Wah Mountains of western Beaver County, approximately 32 miles west of the town of Milford, Utah. The Pine Grove district metal occurrences cover roughly 16 square miles and hosts a giant Climax-type porphyry molybdenum deposit at a depth of over 3000 feet. The district was historically a minor lead, zinc, and silver producer, but substantial molybdenum exploration began in

1975 when Phelps Dodge Molybdenum Corporation drilled the first deep hole. No important mineral exploration or development has been done at Pine Grove since about 1983. Because porphyry molybdenum deposits tend to occur in clusters, there could be potential for the discovery of additional molybdenum and other metal resources in the district.

The proposed OBA includes approximately 2,559.93 acres of Utah's trust land surface and mineral estate, some of which were recently acquired through the John D. Dingell, Jr. Conservation, Management, and Recreation Act of 2019 (Dingell Act) land exchange with the federal government. The agency acquired the lands subject to all valid existing rights, including dozens of valid unpatented lode mining claims, which carry no royalty under the 1872 Mining Law. The existing unpatented mining claims encumbering the subject land within the proposed OBA are held by Phelps Dodge Molybdenum Corporation, a subsidiary of the applicant, and are administered by the agency under ML 54658 MC. The applicant has agreed to abandon and relinquish 20 of the pre-existing unpatented mining claims within Section 31 in T28S R15W as part of this OBA proposal and remains open to converting the rest of the SITLA-managed unpatented mining claims to a metalliferous minerals lease at an appropriate time, depending on business needs and project requirements.

The Resource: Base and precious metalliferous minerals

The Applicant: Freeport-McMoRan Mineral Properties Inc. ("FMMP"), a wholly owned subsidiary of Freeport-McMoRan Inc., an NYSE-listed U.S.-based international mining exploration and development company primarily focused on exploring, developing, and producing copper, gold, and molybdenum. The company has active mining operations in North and South America, Indonesia, and Africa.

Material Terms of the Transaction

Term: FMMP will receive an initial five-year exploration agreement with the option to lease for a primary term of ten (10) years, contingent on a negotiated exploration program, required annual progress reports submitted to the agency, and submitting a formal technical report or equivalent study approved by the agency.

Payments to Trust Lands Administration:

- One-time \$55,000.00 sign-in bonus payment due on signing the exploration agreement
- Five-year Exploration Term annual rental
 - \$10.00 per acre
- Ten-year Primary Term annual rental on selected optioned areas, or entire OBA
 - \$10.00 per acre
- Production royalty rate for non-fissionable metalliferous minerals at 4% gross value and fissionable metalliferous minerals at 8% gross value

Work/Expenditure Requirements: FMMP will complete a comprehensive five-year exploration program designed to evaluate the resource and identify any new targets on the subject lands as described below:

- Phase 1 (Years 1-2): Data compilation, target generation, and permitting
 - Existing historic data compilation
 - Geological mapping
 - Surface geochemistry
 - Geophysical surveys including Induced Polarization (IP) and Drone Magnetometer

- Begin cultural and environmental baseline surveys and necessary permit applications and bonding requirements through the Utah Division of Oil, Gas and Mining (“DOGM”)
- Phase 2 (Years 3-5): Holistic District-scale Exploration (Permit approval-dependent)
 - Complete the DOGM exploration permitting and bonding process
 - Initial exploration drilling no less than 12,000 feet on the property followed by drill pad reclamation
 - Drilling would be planned to utilize existing roads/tracks as much as possible
 - Cultural and environmental baseline surveys to be conducted prior to any drilling
 - Drill plan to be submitted prior to any drilling
 - Follow-up drilling based on initial drilling program results
 - Core/RC processing including geologic logging, assays, and in-house mineralogy
 - Prepare and submit a formal technical report or equivalent study approved by the agency

Data Reporting Requirements: The agency will require a development plan, annual progress reports, and any additional geologic data from exploration activities conducted on the overall property.

Rationale

The applicant is the logical lessee for the proposed OBA. Freeport-McMoRan is ranked globally as a major international mining company that explores, develops, and produces copper, gold, and molybdenum. The company is well financed and is the #1 ranked mining company in the United States, based on market capitalization. FMMP has proposed a focused exploration program to evaluate the mineral potential on Utah’s trust lands within an established mining district. Exploration success by the company may lead to long-term financial returns to the agency’s beneficiaries through lease rentals, production royalties, and associated economic development. Additionally, data obtained from dedicated exploration work on the subject lands would further an understanding of the regional geology and value of the property. Advancement of Pine Grove’s mineral resources also supports broader state-wide and national objectives relating to secure domestic supply of critical and strategic minerals. Lastly, the company controls the patented mining claims and the surrounding unpatented mining claims, some of which are an encumbrance to the property. FMMP has agreed to abandon and relinquish 20 existing unpatented mining claims managed by SITLA under ML 54658 MC as part of this OBA proposal.

Committee Discussion

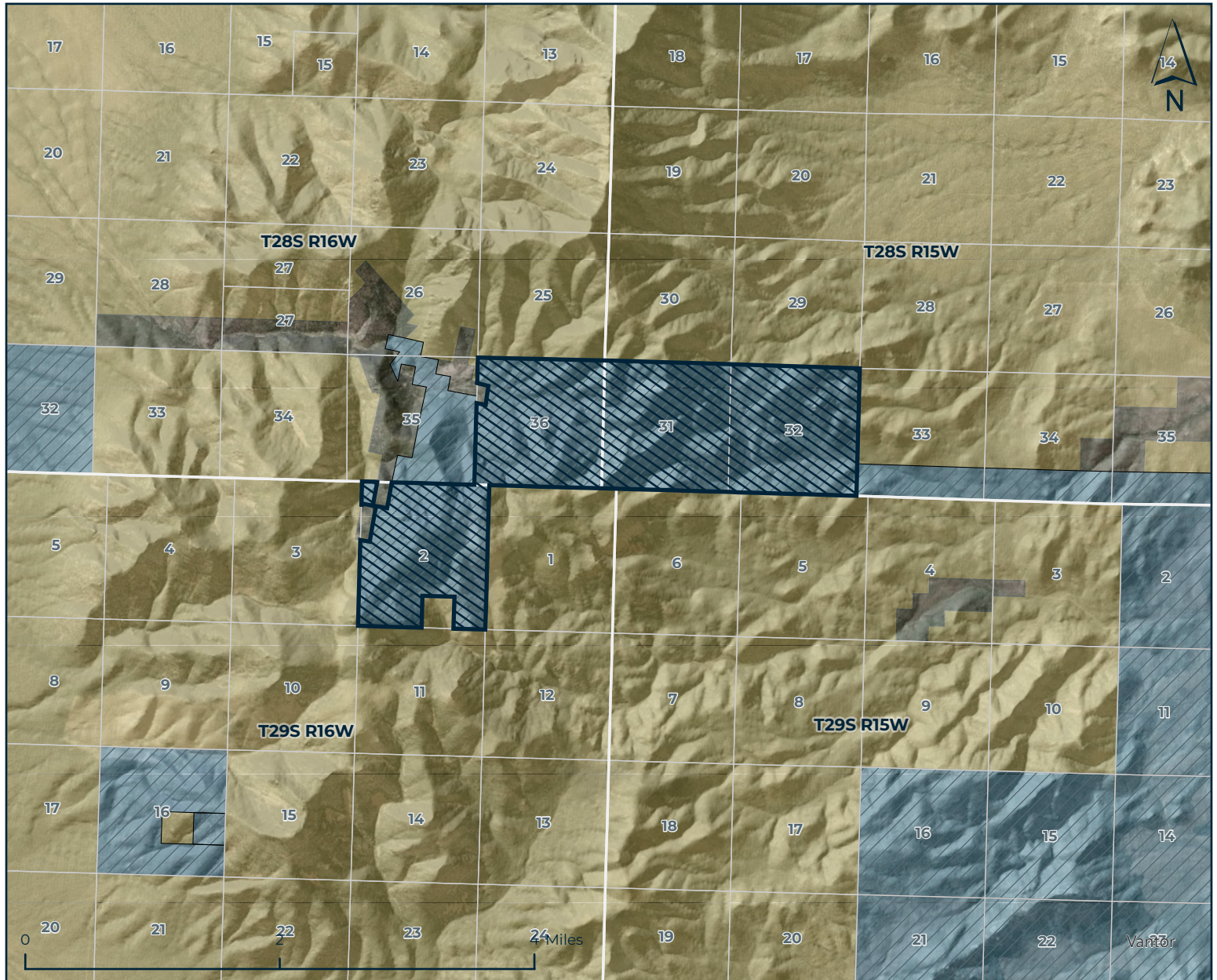
The OBA proposal was reviewed by the Energy & Minerals committee electronically on July 21, 2026, and the committee members were given the opportunity to ask questions via email and over the phone. A question was raised by Dr. Nelson regarding the remaining SITLA-managed mining claims not abandoned as part of the OBA proposal. Mr. Wiseman responded that the company would retain approximately half of the unpatented mining claims above the known orebody under ML 54658 MC but remains open to the idea of converting the rest of the SITLA-managed mining claims into a metalliferous minerals lease in the future. Mr. Bedingfield further commented that the company’s willingness to abandon and relinquish 20 mining claims as part of this OBA proposal is a significant benefit for the agency and the trust

beneficiary as it clears an encumbrance on the property and opens the property to future revenue streams. The committee has recommended that the full board consider this OBA proposal at the August board meeting.

Request Action

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

“I move to approve ML 54730 OBA on the terms set forth in the board memorandum and to have the agency take all further actions necessary to finalize the transaction.”



 Mineral Lease No. 54730-OBA - Metalliferous Minerals

Trust Lands Minerals Ownership

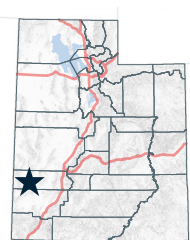
 All Minerals

Land Ownership and Administration

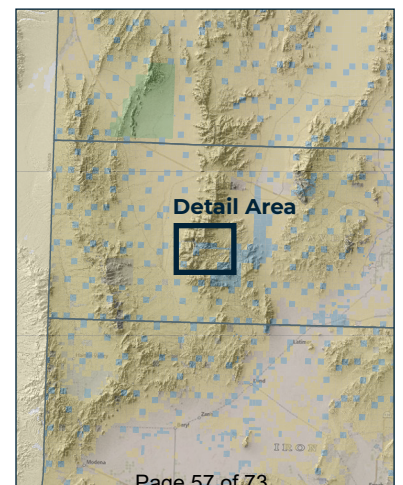
 Bureau of Land Management

 Private

 State Trust Lands



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Action Item 10F

Major Development Transaction - St. George Regional Airport

Washington County, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



Board of Trustees Memorandum

Date: August 20, 2026

From: Gregg McArthur, Economic Development & Project Manager

Re: St George Airport North West - Sale

Applicant: BoxHouse, Inc.

Location: T43S R15W, Section 11, 14, & 1, Washington County

Acreage: 82 acres (+/-)

Beneficiary: Public Schools

Summary

Staff proposes a major development transaction on approximately 82 acres of Trust Lands located in Washington County, on the northwest side of the St George Regional Airport (please see Exhibit A). Prior to negotiating a major development transaction, the Board must approve the process, goals, and timeliness of that transaction, pursuant to Rule R850-140-600. If the Board approves moving forward, the agency will negotiate a development agreement with the selected developer, obtain input from the Real Estate Committee, and bring the terms to the Board for final approval.

Key Information and Background

Background: The St George Airport northwest 82-acre parcel consists of raw, undeveloped land situated adjacent to the northwest corner of the St. George Regional Airport. Access to the parcel is limited to Banded Hills Drive to the south which is a residential roadway that connects to the Little Valley residential area. Banded Hills also serves as access to the airport's West General (private) Aviation gate. Water is found in Banded Hills Drive. Power and sewer are found on the perimeter of the St George Airport lands to the southeast. The site's primary constraint remains its reliance on a single residential access point until planned expansion routes to the West Airport TLA lands materialize in five to ten years. The property is zoned APBP (Airport Business Park), which permits commercial operations as well as

indoor industrial uses. A new St George Airport control tower is being constructed just south of this parcel. With this new tower in place, any future structures planned for development on this parcel will need FAA approval for height and location.

In January 2026, the trust received an offer from BoxHouse Inc. to purchase this 82-acre parcel for their corporate business campus. Their offer proposed a cash one-time-close purchase of the entire parcel for its appraised value. Upon receiving the offer, staff solicited an appraisal to determine the current value. The appraisal came back at \$6 SF or \$21,431,520.

In March 2026, the Trust issued a Request for Proposals (RFP) for the 82-acre parcel. The RFP was open for three months and closed in June 2026. The Trust received three formal proposals. Out of the proposals received, the offer from BoxHouse Inc. was the most financially favorable for the Trust.

Key Terms of Transaction:

BoxHouse, Inc. (BoxHouse) is a St George-headquartered modular home manufacturer with regional operations in Texas and New York. The company specializes in factory-built residential units that are assembled on-site. BoxHouse proposes to acquire the entire parcel via a lump-sum cash purchase at the appraised value of \$21,431,520. BoxHouse has provided audited financial statements confirming their financial capability and liquidity to complete the \$21,431,520 cash transaction.

- **Terms & Closing:** The buyer requests a 45-day due diligence period accompanied by a \$500,000 deposit that becomes non-refundable upon expiration of the due diligence period. BoxHouse requests a 120-day closing period, aiming to close in late December 2026 or early January 2027.
- **Intended Use:** BoxHouse plans to construct its corporate headquarters and an innovation center on the site, with plans to expand into manufacturing once secondary access routes are established.

Economic Analysis

Staff evaluated whether the Trust should execute an immediate land sale under current access conditions or retain the asset until secondary access routes are constructed. Selling the parcel now to BoxHouse captures full appraised market value today, avoiding the timing risks and holding costs of unbuilt infrastructure. Reinvesting the proceeds with the School and Institutional Trust Funds Office (SITFO) is projected to generate an average annual return of 7.5%.

By comparison, finished lot values in the St. George Fort Pierce Industrial Park—a top-tier Southern Utah industrial park—have appreciated roughly 154% over the past 18 years, establishing a historical hurdle rate of 5.32% annually. Because SITFO's projected 7.5% yield exceeds this historical land appreciation benchmark, selling now and investing the proceeds delivers a higher net return than holding the land for future appreciation.

Sale vs Hold Analytics

Land Sale w/ SITFO Investment			Land Hold w/ Estimated Value Escalation		
Acres	82		Acres	82	
SITFO Rate of Return	7.50%		Historic YoY Land Value Escalation	5.32%	
Purchase Offer Price	\$ 21,431,520		2026 Appraised Value	\$ 21,431,520	
Year	Return Value	Per Acre Value	Year	Return Value	Per Acre Value
2026	\$ 21,431,520	\$ 261,360	2026	\$ 21,431,520	\$ 261,360
2027	\$ 23,038,884	\$ 280,962	2027	\$ 22,571,677	\$ 275,264
2028	\$ 24,766,800	\$ 302,034	2028	\$ 23,772,490	\$ 289,908
2029	\$ 26,624,310	\$ 324,687	2029	\$ 25,037,187	\$ 305,332
2030	\$ 28,621,134	\$ 349,038	2030	\$ 26,369,165	\$ 321,575
2031	\$ 30,767,719	\$ 375,216	2031	\$ 27,772,004	\$ 338,683
2032	\$ 33,075,298	\$ 403,357	2032	\$ 29,249,475	\$ 356,701
2033	\$ 35,555,945	\$ 433,609	2033	\$ 30,805,547	\$ 375,677
2034	\$ 38,222,641	\$ 466,130	2034	\$ 32,444,402	\$ 395,663
2035	\$ 41,089,339	\$ 501,089	2035	\$ 34,170,444	\$ 416,713
2036	\$ 44,171,039	\$ 538,671	2036	\$ 35,988,312	\$ 438,882

Competitive Process

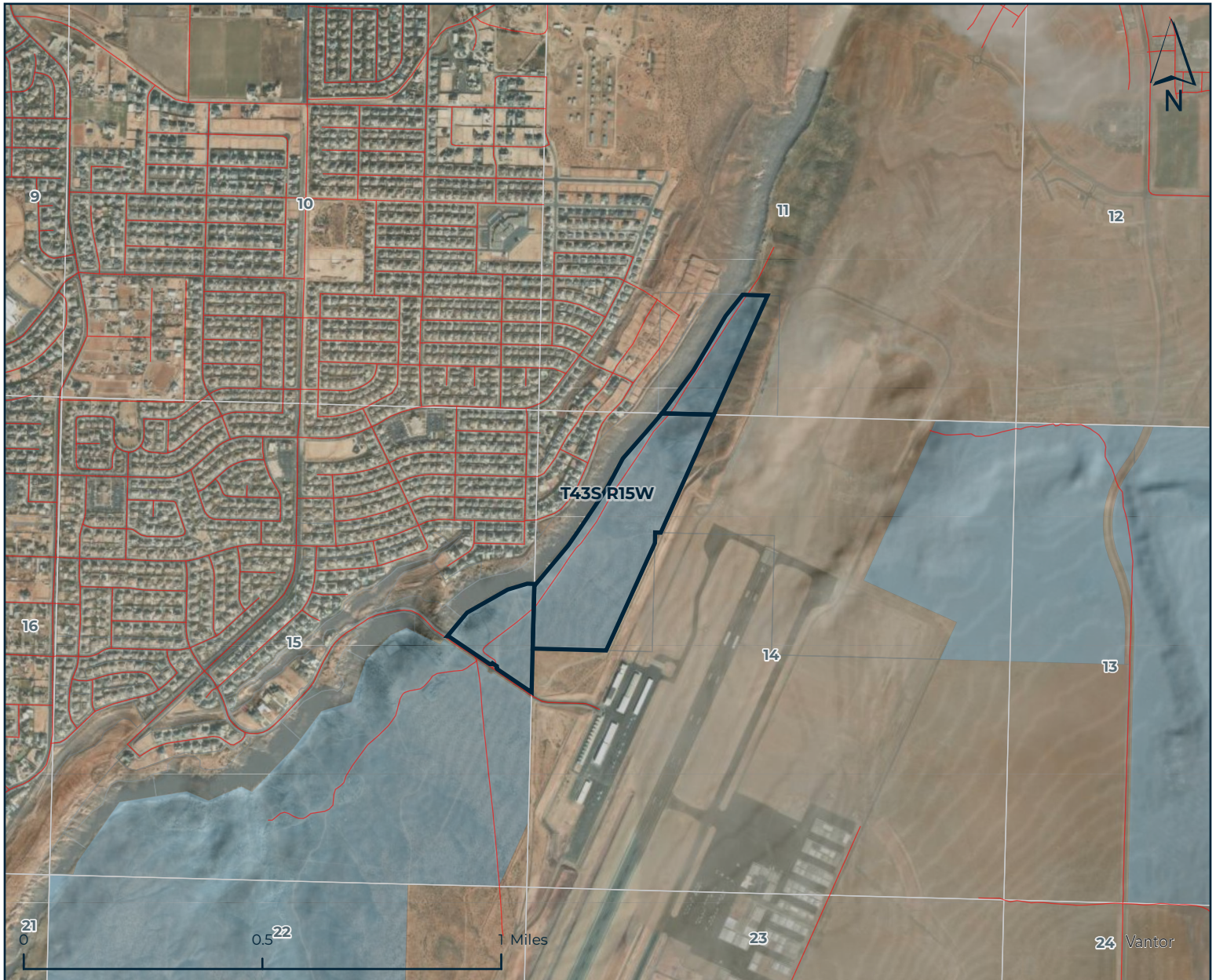
Staff advertised the parcel on the TLA website and ran ads in the local Spectrum newspaper and Deseret News. Advertising ran for a 3-month period from March through June 2026.

Real Estate Committee Discussion

The committee reviewed the financial considerations associated with the proposed transaction, including the optimal timing for the sale of the property. The committee requested an analysis of the historical appreciation of industrial land values in the St. George area. Staff prepared and distributed the requested analysis to the committee in a supplemental memorandum. After reviewing the additional information, the committee concluded that proceeding with the sale is in the best interest of the Trust and directed staff to present the transaction to the Board for consideration at the August meeting.

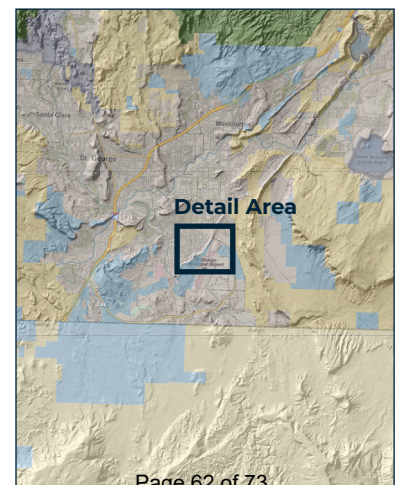
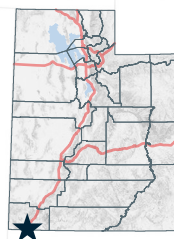
Requested Action

Staff recommends that the Board authorize staff to enter formal negotiations with BoxHouse, Inc to finalize the terms of a purchase of the 82-acre St George Airport northwest parcel.



-  SGU West Airport Parcel
- Land Ownership and Administration**
-  Private
-  State Trust Lands

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Notification Item 11A

Proposed Minor Development Transaction in Big Water

Kane County, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



TRUST LANDS ADMINISTRATION

SUPPORTING SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: August 20, 2026

From: Bryan W. Torgerson, Assistant Managing Director, Surface Resources

Applicant: Robert Reed

Lands: Big Water, UT | Township 43 S Range 2 E Within Section 13, SLB&M, in Kane County

Acreage: 0.4 acres (+/-) (actual acreage to be determined by survey)

Beneficiary: Schools

Summary

The purpose of this memorandum is to give the Board notice of a proposed minor development transaction on approximately 0.4 acres of trust land located within the municipal boundary of Big Water, Kane County, off Freedom Way. Before entering 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 purchaser, and an economic analysis of the project, pursuant to Rule R850-140-500.

Key Information and Background

In October of 2025, Staff received an inquiry from Robert Reed, the apparent owner of lot B-13-49 in Big Water, Utah, about acquiring the TLA-owned property adjacent to the landlocked parcel he had just acquired (Certificate of Sale 27269) from TLA earlier in September. That transaction followed several earlier transactions of many of his neighbors who had similarly purchased from TLA the landlocked property behind their respective lots in 2022. The delay on C27269 was apparently a dispute about pricing – where Mr. Reed had apparently anticipated purchasing the property at substantially lower valuations. By 2025, he was willing to pay what TLA deemed to be market value.

The subject property (adjacent to the previously purchased property) is also landlocked and sits immediately next to the previously purchased parcel. However, the subject property sits behind lot B-13-48, a lot not owned by Mr. Reed – so in essence, if the subject property could only be accessed by going through the property sold under C27269.

Competitive Process: Staff solicited competing offers for 3 consecutive weeks on our website. In addition, Staff sent a letter to the owner of lot B-13-48 (the property immediately in front of the subject TLA parcel), notifying that lot owner that there was an offer on the property behind his/her lot and that the Trust was seeking competitive offers. No response to the letter was received, nor did the Trust receive anything from the solicitation on our website.

Key Terms of Transaction

The following table shows some of the most recent TLA sales in the Big Water area:

Actual Rim Lot Sales				
Transaction	Date	Acreage	Sales Price	Price per Acre
C-24983	5/31/2000	0.11	1,200.00	10,909.09
C-26542	3/27/2012	0.58	7,548.00	13,013.79
C-26559	2/4/2013	0.58	7,625.00	13,146.55
C-26857	4/21/2020	0.43	7,500.00	17,441.86
C-26956	6/22/2021	0.7	13,000.00	18,571.43
C-27153	5/31/2023	4.58	97,239.92	21,231.42
C-27195	10/2/2024	17	382,500.00	22,500.00
C-26997	9/8/2021	16.84	400,000.00	23,752.97
C-27080	9/1/2022	4.04	97,253.10	24,072.55
C-27069	8/29/2022	3.24	80,750.00	24,922.84
C-27079	8/30/2022	0.97	25,440.00	26,226.80
C-27069	9/11/2025	.79	23,850	30,189

Based on the property being approximately 0.4 acres and the price per acre of approximately \$35,000, we anticipate a final sale price of approximately \$14,000. This is significantly higher than fair market value based on local comparables.

Committee Discussion

Trustee Tarbet expressed concern about whether it was prudent to sell the property given its location adjacent to another landowner's parcel. Bryan explained that certified letters were sent and multiple attempts were made to contact the adjacent property owner to provide an opportunity to purchase the parcel; however, the owner declined. He further noted that, because the parcel is landlocked and has limited independent utility, it is in the Trust's best interest to convey the property to a willing purchaser rather than retain an asset with minimal practical value.

Staff Conflicts of Interest:

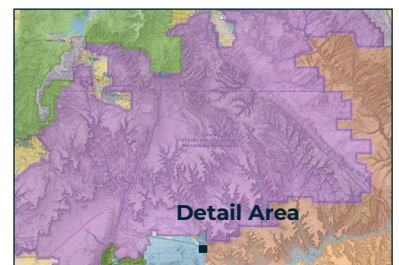
None.

Subordination of Trust Assets:

None.



- Land Ownership and Administration**
- Land Parcel
 - Private
 - State Trust Lands
- Trust Lands Minerals Ownership**
- All minerals



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 or 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 801-538-5100 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: July 14, 2026 - bradyjohnson

Notification Item 11B

Minor Development Transaction near Bryce Canyon National Park

Garfield County, Utah



TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS



Board of Trustees Memorandum

Date: August 20, 2026

From: Alexa Wilson, Project Manager
Residential and Commercial Real Estate

Re: Notice of Minor Development Transaction
Bryce Canyon Coyote Hollow— DEVL 1386 (Ground Lease)

Applicant: Philo Development, Lehi Utah

Location: SW¼SW¼ of Section 34 of T35S, R4W, SLB&M
Lot 4 of Section 3 of T36S, R4W, SLB&M
Lots 1 and 2 and SE¼NE¼ of Section 4 of T36S, R4W, SLB&M
Garfield County (See Exhibit A)

Acreage: 60 acres (+/-) of the 200.12-acre (+/-) parcel

Beneficiary: Public Schools Trust

Summary

The purpose of this memorandum is to give the Board notice of a minor development transaction on approximately 60 acres of trust lands located in Garfield County, along Highway 12 near Bryce Canyon National Park. 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.

In addition, an opportunity exists to acquire adjacent land and water rights for use in future development transactions.

Key Information and Background

Background

The Coyote Hollow Parcel is located 8 miles from the Bryce Canyon National Park Visitor Center and Entry Station along scenic Highway 12. In March 2026, TLA received a proposal for the development of a glamping facility on 60 acres of the 200-acre parcel.

Key Terms of Transaction

- Ground lease on 60 acres of trust lands
- Lease term: 25 years
- Two 10-year extension terms
- Lessee constructs 70 upscale glamping units
- Upfront bonus payment of \$60,000
- Percentage rent 5% of gross revenue
- Minimum rent is \$120,000/year

Utilities

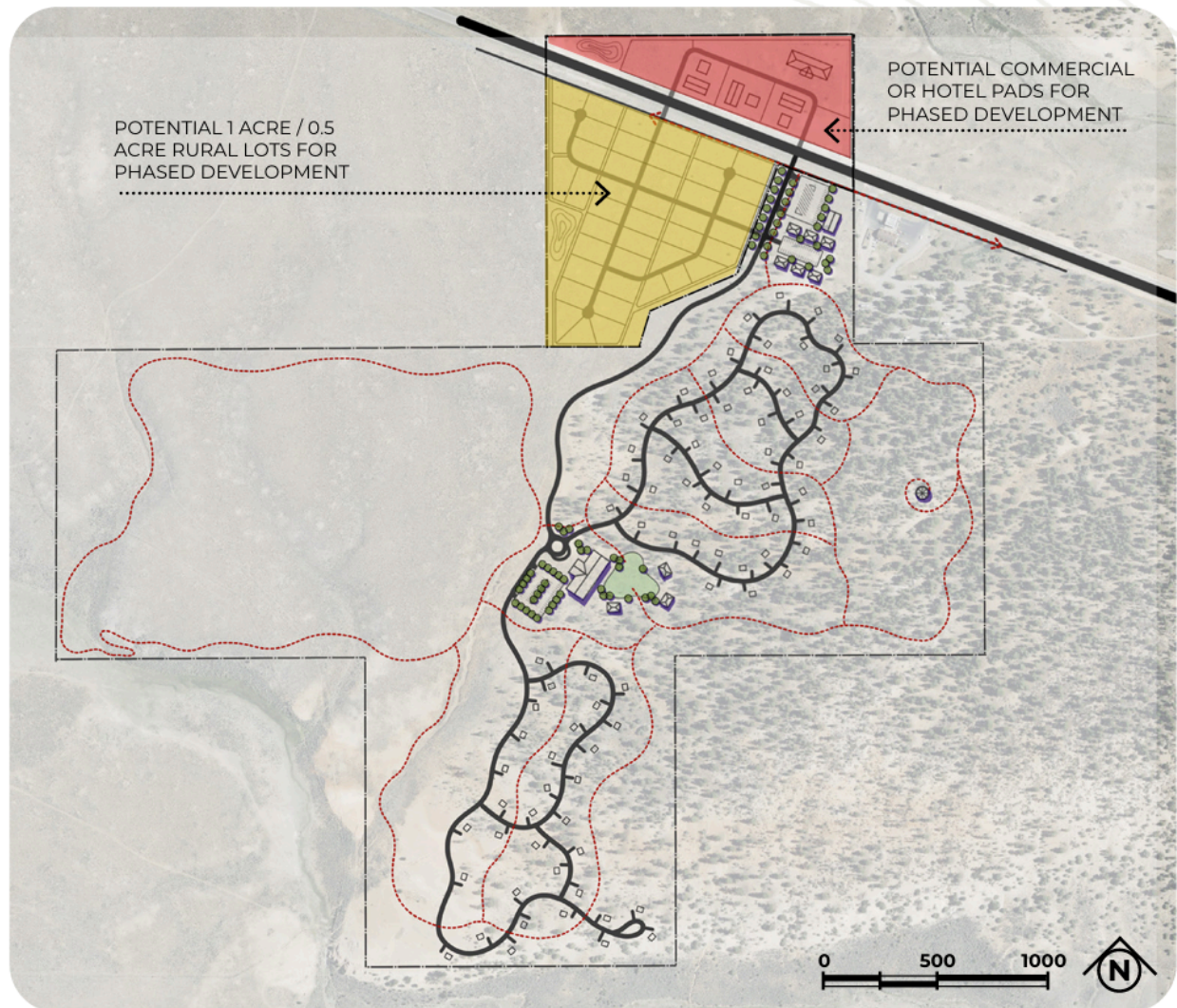
- Power is available on the road
- Water rights that are directly usable on the parcel are currently offered for sale
- Wet water is accessible by a well
- Sewer will be on septic tanks
- Fiberoptic connections are most likely available on the road; if not, communication will be offered through Starlink.



Economic Analysis

The proposed transaction requires 60 acres of the 200 available acres and has an expected NPV of \$3.1M over the life of the lease including the two extension terms. After the lease term the land will revert to TLA. The presented proforma was based on an average daily rate of \$230, an occupancy rate of 66-70% during the 9 months per year the facility will be open for business. It was analyzed in detail and was found to be somewhat aggressive but not unreasonable. While there are significant risks associated with the proposed venture, this proposal is superior to the alternative proposal of an outright sale of all 200 acres for \$2.2M (see next paragraph). The risks are mitigated by the fact that the glamping facility will be managed by the Marriott-associated brand “Postcard Cabins”, the proponents proven record of success at similar ventures and the project’s location in a high-growth recreational market around the turn off to Bryce Canyon National Park.

Additional revenue can be generated from the parcel by monetizing land not directly occupied by the currently proposed glamping operation. The TLA planner has created the sketch plan below. It shows that there is room to expand the glamping operation as well as some rural 1-acre lots south of the highway and a potential hotel/commercial development north of the highway.



Competitive Process

A request for proposal was disseminated on the TLA website and by publication in local publications on April 23, 2026. It ran for two months and closed on June 29, 2026. In addition to the original proposal discussed above, TLA received a reply from one other proponent, Holm Global. Holm Global presented two proposals for a development partnership as well as an offer for an outright purchase.

Staff Conflicts of Interest: N/A

Subordination of Trust Assets: N/A

Other Relevant Information: N/A

Committee Discussion

The Real Estate Committee recommended that we have a remediation bond in place to remove the septic tanks and other defunct improvements at lease termination. Philo Development has agreed to the remediation bond or other approved form of financial guarantee.



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End of Board Meeting Materials