

BOARD OF TRUSTEES MEETING

September 17, 2026



Board Meeting Agenda

AGENDA → Items 1–3

1 - 3 Welcome / Minutes / Upcoming Meetings

PRESENTATIONS → Items 4–9

4 School LAND Trust Program

5 Social Media Minute

6 Public Comment

7 Chair's Report

8 Director's Report

9 Advocate Report

ACTION ITEMS → Items 10 A–E

10A - SULA 2095-OBA - Jim, Bryan, Mike

10B - ML 54767-OBA - Drew

10C - St. George Airport - Gregg

10D - Agency Risk Management Plan - Stephanie

10E - Strategic Plan Policy - Michelle

NOTIFICATION ITEMS → Items 11 A-B

11A - St. George Airport - Gregg

11B - DEVL 1263 - Aaron

Items
1 - 3

AGENDA

1. Welcome
2. Approval of Minutes
3. Confirmation of Upcoming Meetings



TLA Board of Trustees - 2026

Item 4

AGENDA

How Trust Lands Funds are Distributed, and School Trust Funds Plans are Developed

Kira Bennett

Director

School LAND Trust Program, USBE

[HOME](#)



**Utah State
Board of
Education**

School LAND Trust Program

The School Children's Trust team supports effective School LAND Trust program implementation by:

Empowering Local Decisions

Supporting effective and community-led local decision-making.

Engaging Parent Involvement

Fostering meaningful, structured, and active parent participation.

Providing Key Resources

Delivering essential tools and resources to drive program success.



95%

**UTAH SCHOOLS RECEIVE 95%
OF TRUST DISTRIBUTIONS**

School Community & Charter Councils



A parent-led council at every Utah public school.

District Councils: Consists of the principal, school employees, and a two-parent majority.

Charter Councils: Can be elected or the Charter Governing Board can serve. Must have a two-parent majority.

Elections: Both employee and parent members are elected.

Parent Leadership: Every council is chaired directly by a parent member.

School LAND Trust Plans

Councils collaborate to create a strategic roadmap for addressing the greatest academic needs at their school by:

Annual Evaluation

Reviewing the effectiveness of the current plan and expenditures.

Data and Financial Review

Analyzing academic data to identify academic needs.

Reviewing upcoming distribution allocations and carryover funds.

Plan Preparation & Approval

Preparing and approving a plan for the upcoming school year outlining:

- Goal
- Measurement
- Action Plan Steps
- Expenditures



Addressing Greatest Academic Needs

Councils collaborate to address the greatest academic needs at their schools. SLT funds are used to:

Personnel & Professional Development

Invest in high-quality personnel and professional development.

Classroom Technology

Provide access to classroom technology.

School-Specific Needs

Address other school-specific needs.



Local Program Workflow

Plan Creation

Plans are created by the council, entered and submitted by the principal on the SLT Reporting Website.

Plan Approvals

Plans receive three additional approvals: LEA Governing Board, LEA Admin, and USBE.

Fund Distribution

All program requirements must be fully met before funding is distributed for school use.



Schools are Accountable



Council Monitoring & LEA Oversight

Councils review expenditures and plan implementation, and may amend plans as needed. LEAs verify and assure information.

Fund Usage is Reported & Public

Prior year plan implementation is reported publicly:

- Business administrators enter expenditures for display in a Final Report.
 - Principals justify implementation, expenditures, and goal measurements.
 - A summary report is submitted to each approving governing board.
- Reports become public.

USBE Compliance Reviews

Compliance reviews are conducted annually on a sample of LEAs to ensure program requirements are met.

Funding the Program

Annual Distribution from Permanent State School Fund

FY27 Distribution

Statewide Total

\$133.5M

ANNUAL DISTRIBUTION

Formula Factors

The annual program distribution is calculated based on several factors, including:

- **Fund Performance** over time
- **Prior Year** distribution
- **Student Enrollment** growth
- **Inflation:** CPI

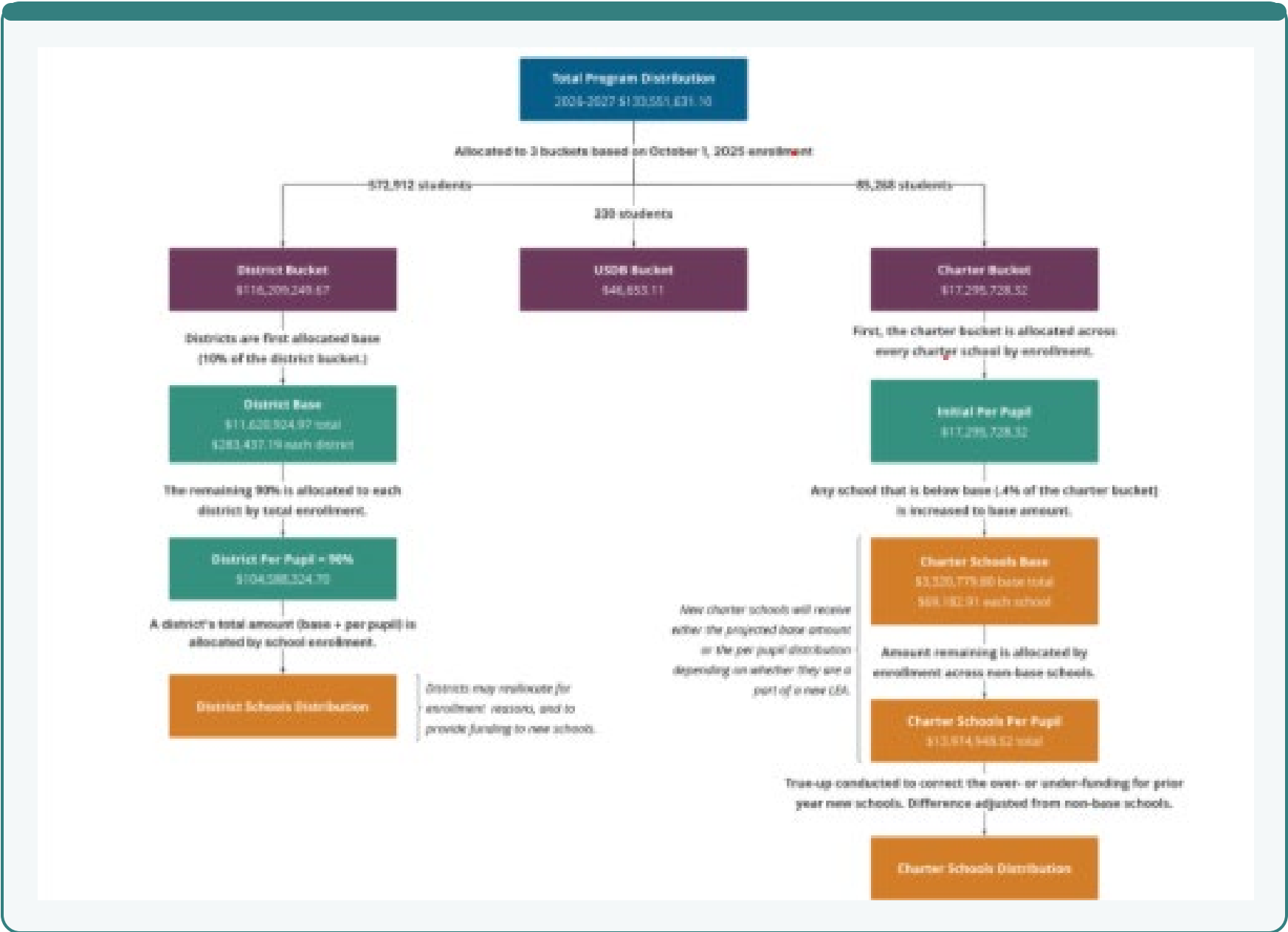
School Trust Distribution Policy

- 50% (1 + CPI + Enrollment Growth) x Previous Year Distribution
 - FY26: 50% (1 + 2.9% CPI + (-0.70%) enrollment) x \$111,314,465 prior year distribution = \$56.8MM
- 50% (5% x 20Q average)
 - FY26: 50% (5% x \$3B) = \$76.6MM
- Subject to a cap of 5% against 20Q average (FY26: \$153MM)
- FY26 Distribution: \$133,551,631

Funding the Program

Distribution to Schools

- Districts & Charters**
Enrollment-based calculation with bases.
- New Charter Schools**
Estimate enrollment initially, then true-up and adjust in the second year.
- USDB Funding Structure**
Receives the average per-pupil amount for each student. The school receives program funding in addition to their specific trust distribution.



Averages, Percentages, Other Facts

CURRENT FUNDING

\$202.84

Average Per Pupil

Per Pupil Range (districts)

\$2,207.11

Daggett (140 students)

\$185.89

Alpine (85,029 students)

IMPACT

Less than 3%

State Education Budget

But

one of the highest-impact investments because decisions about the funds are made locally to address academic needs

PROGRAM ORIGIN

FY 2001

Inception Year

First Year Metrics

\$5 Million

Distribution

\$10.00

Average per pupil

School Children's Trust - Utah State Board of Education

schoollandtrust@schools.utah.gov

Item 5

AGENDA

Social Media Minute

Joelette Organista

Communications Specialist
Trust Lands Administration

[HOME](#)





Item 6

AGENDA

Public Comment

Trust Lands welcomes comments from the county advisory committee, the public, and other interested parties.

The Board sets aside 15 minutes at each board meeting to hear from anyone wishing to speak. Each presenter is allowed one opportunity and has up to three (3) minutes for remarks. Any member of the public participating electronically who desires to comment shall use the “raise hand” feature during the Zoom meeting.

The public comment segment of the board meeting is not the time for a question-and-answer discussion. Trust Lands staff is available for dialogue outside of board meetings.

Item
7

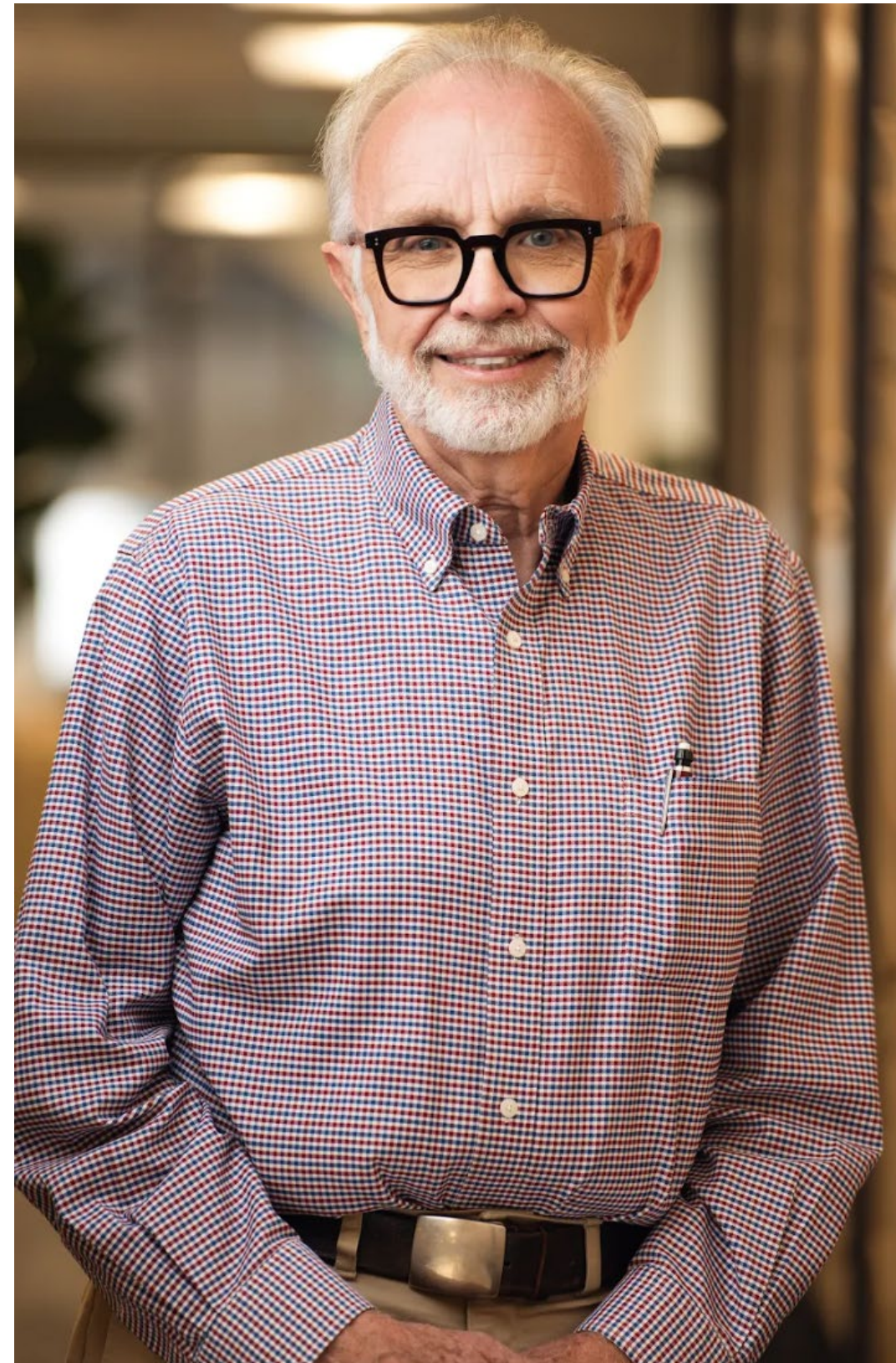
AGENDA

Chair's Report

Dr. Mike Nelson

Chair
Trust Lands Administration Board of Trustees

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Item
8

AGENDA

Director's Report

Michelle E. McConkie

Executive Director
Trust Lands Administration

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Fiscal Year 2026 – Year in Review



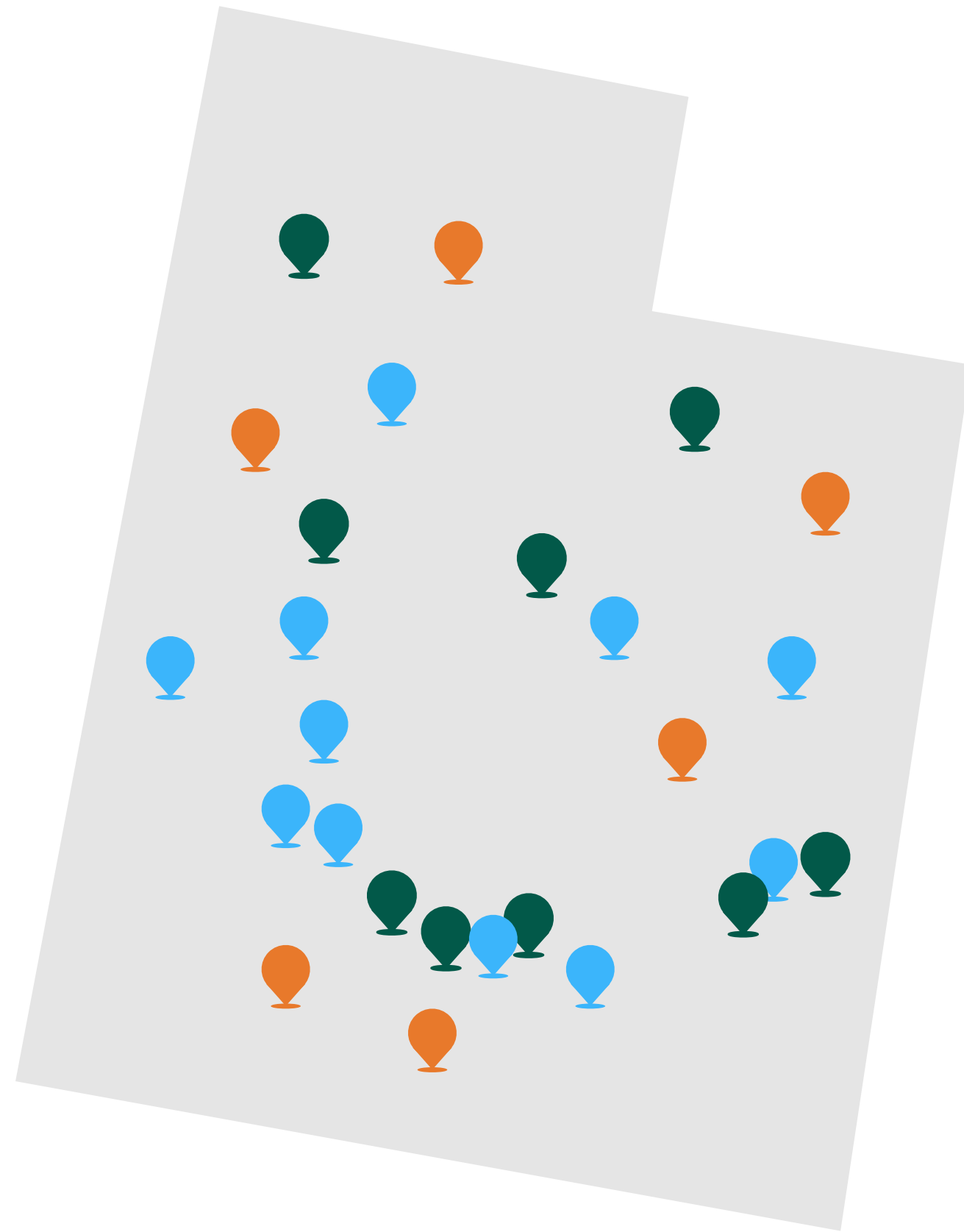
REVENUE



PROACTIVE
FOCUS



COLLABORATIVE
EFFORTS



TLA FY2026 Revenue

\$192.48 million total
(Record breaking)

Breakdown

Energy & Minerals: \$78.51 million

Residential & Commercial Real Estate:
\$57.94 million

Surface Resources: \$56.03 million



FY2026 Overview

- Energy & Minerals
 - Increased drilling on split estate leases
 - Steady growth for renewables
- Residential and Commercial Real Estate
 - Slight softening in real estate market, but still doing well
 - Amara at Coral Canyon
- Surface Resources
 - West Mona, Juab County
 - Woodruff South, Rich County
 - Book Cliffs Roadless Area, Grand County

Proactive Focus

- Organizational and cultural shifts to be more proactive in our focus
- Dedicated land planning positions - both existing and future projects
- Working groups focused on acquisition of water, characterization of surface/subsurface estates, and valuation of lands
- Increased financial analysis
- Business process mapping; earlier involvement across groups



Collaborative Efforts

- Beneficiary Representatives - Advocacy Office
- Other State Agencies
- Industry Organizations
- Governor's Office
- Legislature
- Local Governments
- County Organizations



Item
9

AGENDA

Advocate Report

Liz Mumford

Director

School & Institutional Trust Beneficiaries' Advocacy Office



**School & Institutional Trust
Beneficiaries' Advocacy Office**

Item 10 A

AGENDA

Special Use Lease Agreement (SULA 2095 OBA) Carbon County, Utah

Bryan Torgerson, Mike Healy
and Jim Davis

Surface Resources

[HOME](#)





SULA 2095

Other Business Arrangement

- Lessee: Valar Atomics
- Initial lease: 480 Acres
- Appraised Value: \$750 Per Acre or \$360,000
- Future inclusion of 160 acres upon Utah National Guard relocation

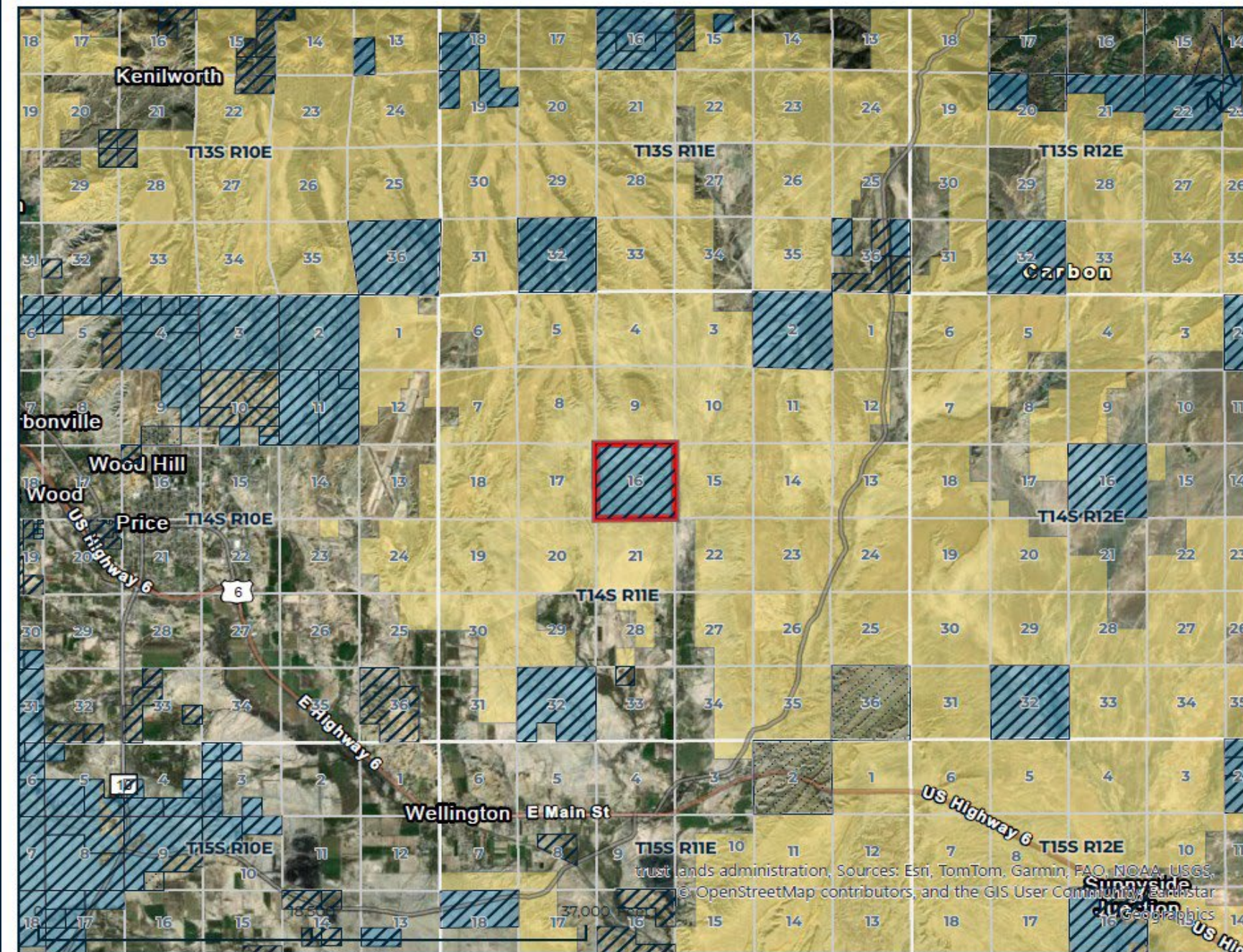
Location

Carbon County, North of Wellington

- T14S, R11E, Sec. 16
- 640-acre TLA parcel
- Selected by Valar Atomix following multi-state search
- Identified by Valar Atomix as well suited to support anticipated federal and state licensing requirements, including site characteristics, environmental condition, and workforce availability

**TRUST LANDS**
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

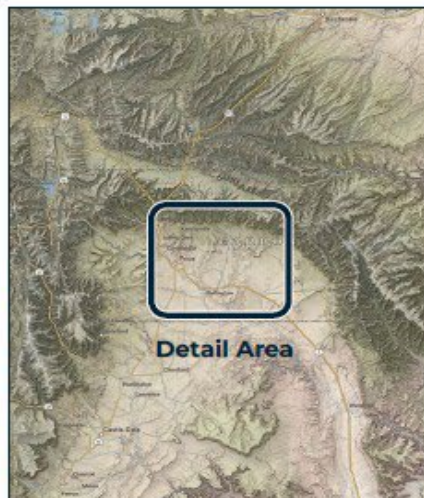
Subject Parcel
Township 14 South Range 11 East Sec. 16 SLB&M
Size: 640 Acres
Carbon County



Subject Parcel
[Red square icon]

Mineral Ownership
[Hatched square icon] All minerals
[Dotted square icon] Partial minerals

Land Ownership and Administration
[Yellow square icon] Bureau of Land Management
[White square icon] Private
[Blue square icon] State Trust Lands
[Brown square icon] State Wildlife Reserve/Management Area
[Green square icon] Other State

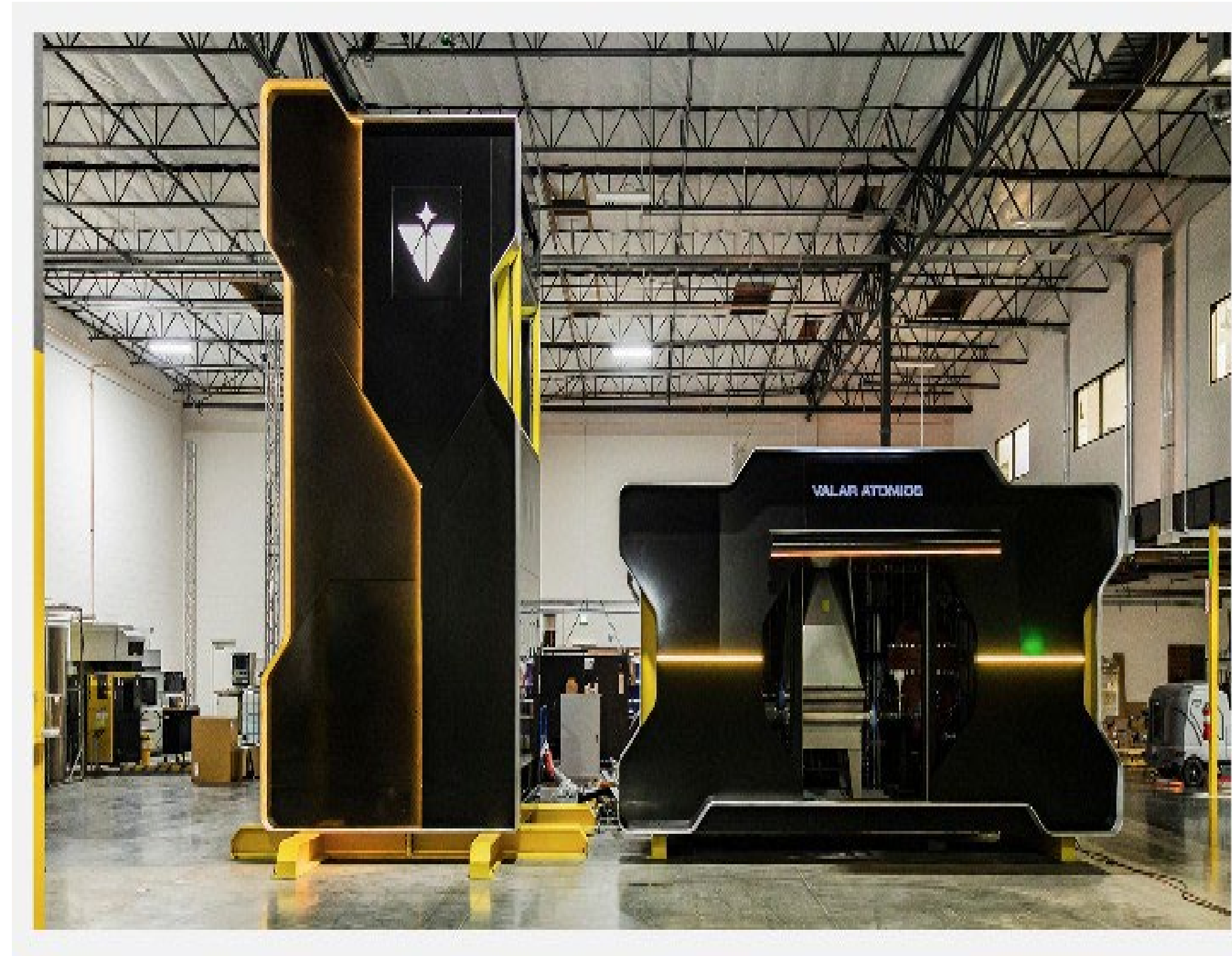


Data represented on this map is for REFERENCE USE ONLY and is not suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. The Trust Lands Administration provides 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 08, 2026 - nicholaswilcox

Valar Atomics Project Overview

Project Purpose

- Develop, manufacture, and operate high-temperature gas cooled reactors
- Manufacture TRISO fuel
- The reactors are helium-cooled and utilize a closed-loop system and are not cooled by water
- Advance the design, testing, and commercialization of small modular reactor (SMR) technology
- Power generation will support multiple onsite commercial activities which may include manufacturing, synthetic fuels, hydrogen generation, water desalination, data centers, and steel manufacturing
- Valar Atomics has an existing SMR at the State of Utah's San Rafael Energy Research Lab



Carbon County's Support



POWERING TOMORROW

A Carbon County Community Series on Nuclear Energy



Nuclear Now: Understanding Today's Technology

May 21, 2026 7:00 pm Carbon County Events Center
Light refreshments to be served



From Rock to Reactor: The Modern Nuclear Fuel

June 18, 2026 7:00 pm Carbon County Events Center
Light refreshments to be served



WORKSHOP #2

Fuel for the Future: What Happens After Power Generation

This session focuses on the back end of the nuclear cycle; spent fuel management, recycling innovations, and long-term storage solutions. Experts will explain how modern fuels behave after use, why spent fuel is far less dangerous than commonly assumed, and what new technologies are emerging to reuse or repurpose nuclear materials. The workshop will also cover short-term storage practices, national repository strategies, and how next-generation reactors are changing the conversation around waste. The goal is to give residents a clear, science-based understanding of what "nuclear waste" really means in 2026 and how industry partners are managing it safely.

Speakers:
Dr. Gordon Peterson, Idaho National Laboratory
Dr. Mario Gonzalez, University of Utah

July 16, 2026 7:00 pm Carbon County Events Center
Light refreshments to be served



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
larry.jensen@carbon.utah.gov

Tony Martinez
Commissioner
(435) 636-3271
tony.martinez@carbon.utah.gov

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

Key Business Terms

- Initial lease area: 480 acres
- Future expansion up to 640 acres upon UNG relocation
- Initial lease term: 50-years
- Two optional 25-year renewal terms
- Development subject to a site plan approval by TLA
- Prior to construction, the applicant must obtain all required permits and approvals from all pertinent local, state, and federal entities



Financial Terms

- \$400,000 upfront bonus rental payment
- Years 1-5: \$30 per acre development rent
- Year 6: \$206 per acre (33% of full rental)
- Year 7: \$419 per acre (67% of full rental)
- Year 8+: \$625 per acre (100% rental)
- CPI adjustments after year 10
- Market appraisal after year 25 and every 25 years thereafter
- Approximately \$35,000,000 in lease rents over 50 years



Financial Buyout Option

- Purchase option based on the greater of NPV of future lease payments less a credit up to the first 15 years of rental payments made, or FMV by appraisal
- Valar Atomics desires to lease the property while they complete site permitting
- They have indicated they want the option to purchase the property

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

Safeguards



- A comprehensive development plan is required, and must be approved by TLA prior to construction
- Site reclamation and restoration bond required by TLA
- Independent third-party cost estimate for bonding
- Decommissioning bond is required by NRC
- Storage of nuclear waste is strictly prohibited on the lease
- All waste must be removed in compliance with regulatory requirements
- Federal oversight by the Nuclear Regulatory Commission (NRC), US Department of Energy (DOE), and U.S. DOT
- State oversight by the Department of Environmental Quality (DAQ, DWQ, WMRC)
- Carbon County- Land Use Regulations

Water Use & Water Rights



- Closed-loop helium cooling system eliminates the need for water to cool the reactor
- Computing facilities are anticipated to use closed-loop recycling to minimize freshwater usage
- Overall project water demand is anticipated to be relatively low
- Valar will be responsible for acquiring sufficient water rights
- The proposed TLA lease does not commit any water to the project
- A change application with the Utah Division of Water Rights will be required, including public notice and an opportunity for public input



Summary

- Appraised property value \$480,000 (All 640 Acres)
- Bonus payment rent of \$400,000 approaches the current property value
- The projected 50-year lease revenue to the Trust is appox. \$35 million
- The conservative buyout NPV is approximately \$6 million
- Support from Carbon County Commission
- Multiple layers of oversight and regulation by local, state, and federal authorities
- Valar Atomics' previous accomplishments:
 - Selected by the DOE Reactor Pilot Program
 - Reactor achieves criticality under DOE Pilot Program
 - First reactor built outside of the national laboratory

Questions?

Thank You

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

“I move to approve SULA 2095 OBA on the terms set forth in the board memorandum and to have the agency take all further actions necessary to finalize the transaction.”

Item
10 B

AGENDA

**Proposed Lithium Brine
Exploration Agreement with
Option to Lease OBA (ML 54767-
OBA) with A1Lithium Inc.**

Drew Bonner

Lease Manager
Energy and Minerals

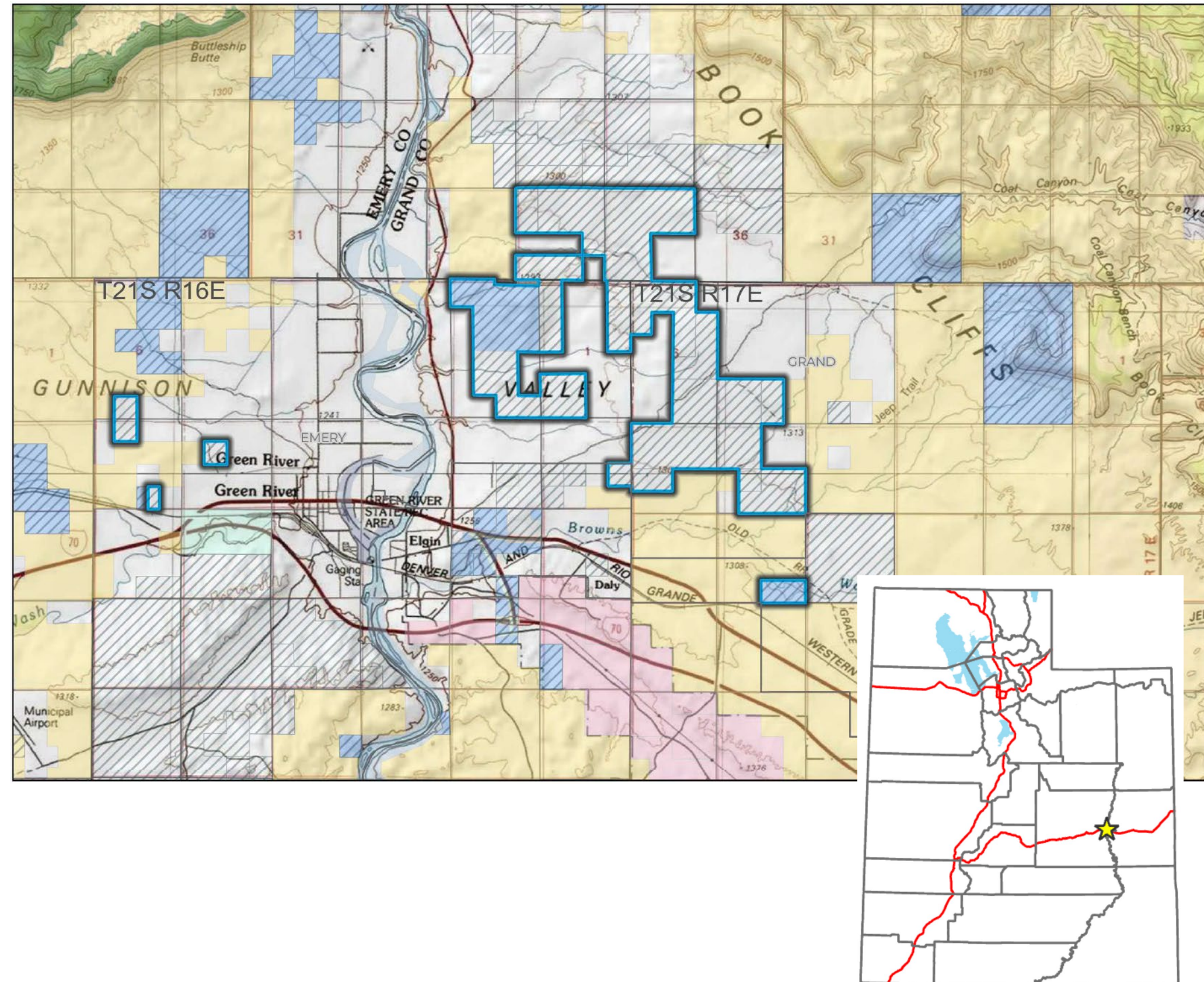
[HOME](#)



LaSals

Background

- ❑ AI Lithium
- ❑ Targeting lithium-rich deep brine aquifers within the Pennsylvanian Paradox Formation and deeper Mississippian
- ❑ Existing projects, private leases, and federal claims within the greater Paradox mineralized area
- ❑ Planning to expand lithium-rich brine exploration to the north



Background

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- ❑ Targeting lithium-rich deep brine aquifers within the Pennsylvanian Paradox Formation and deeper Mississippian
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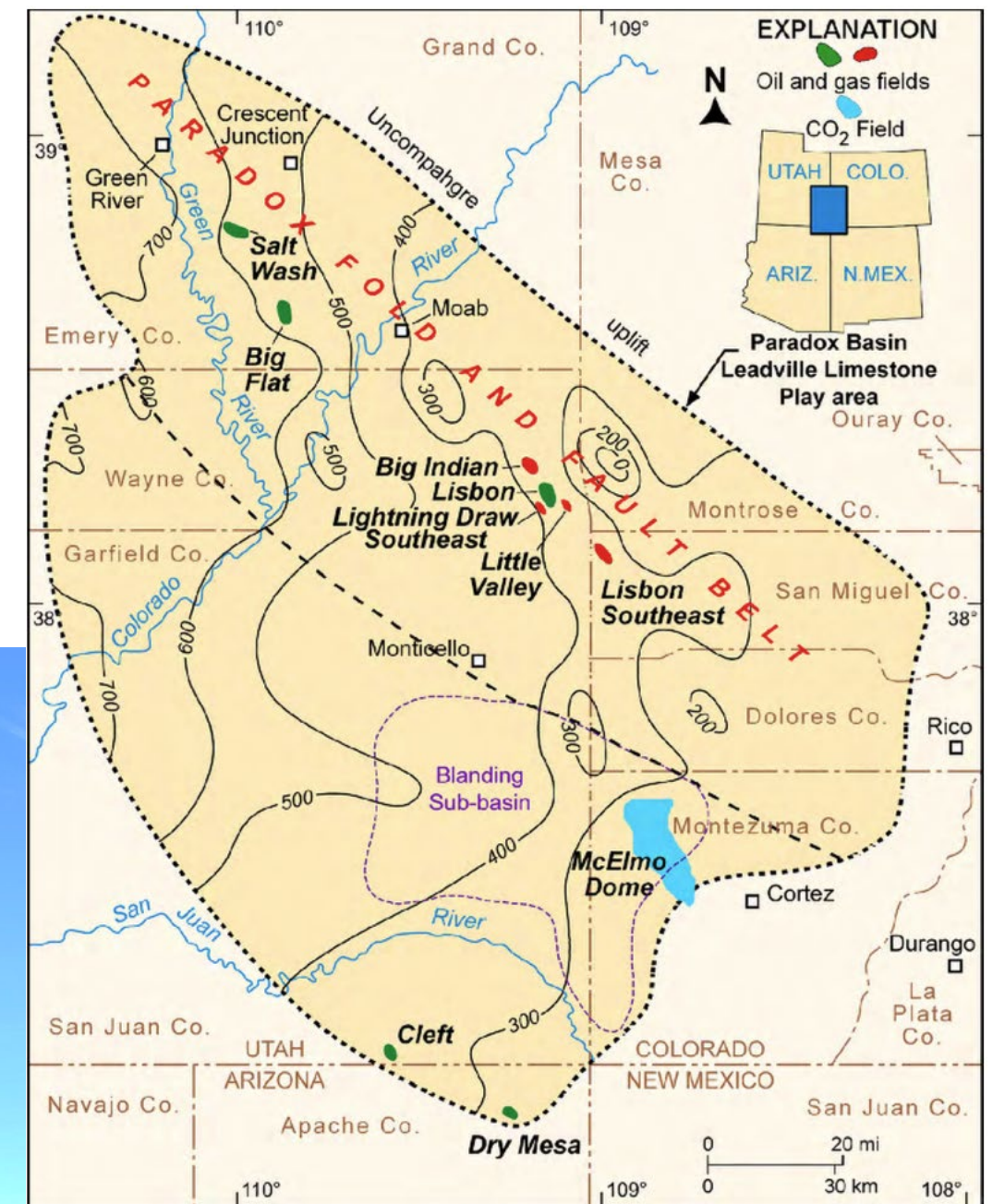
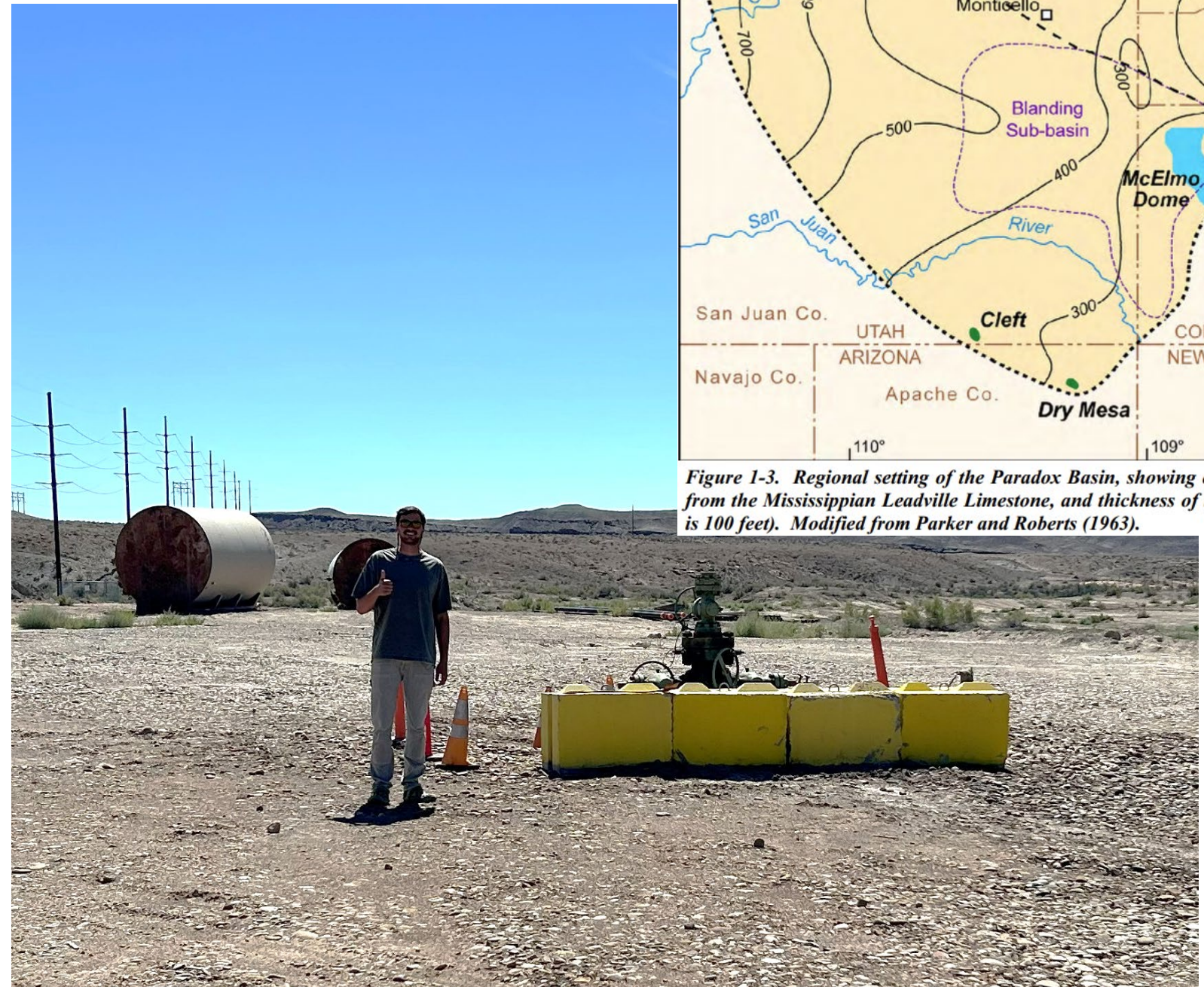
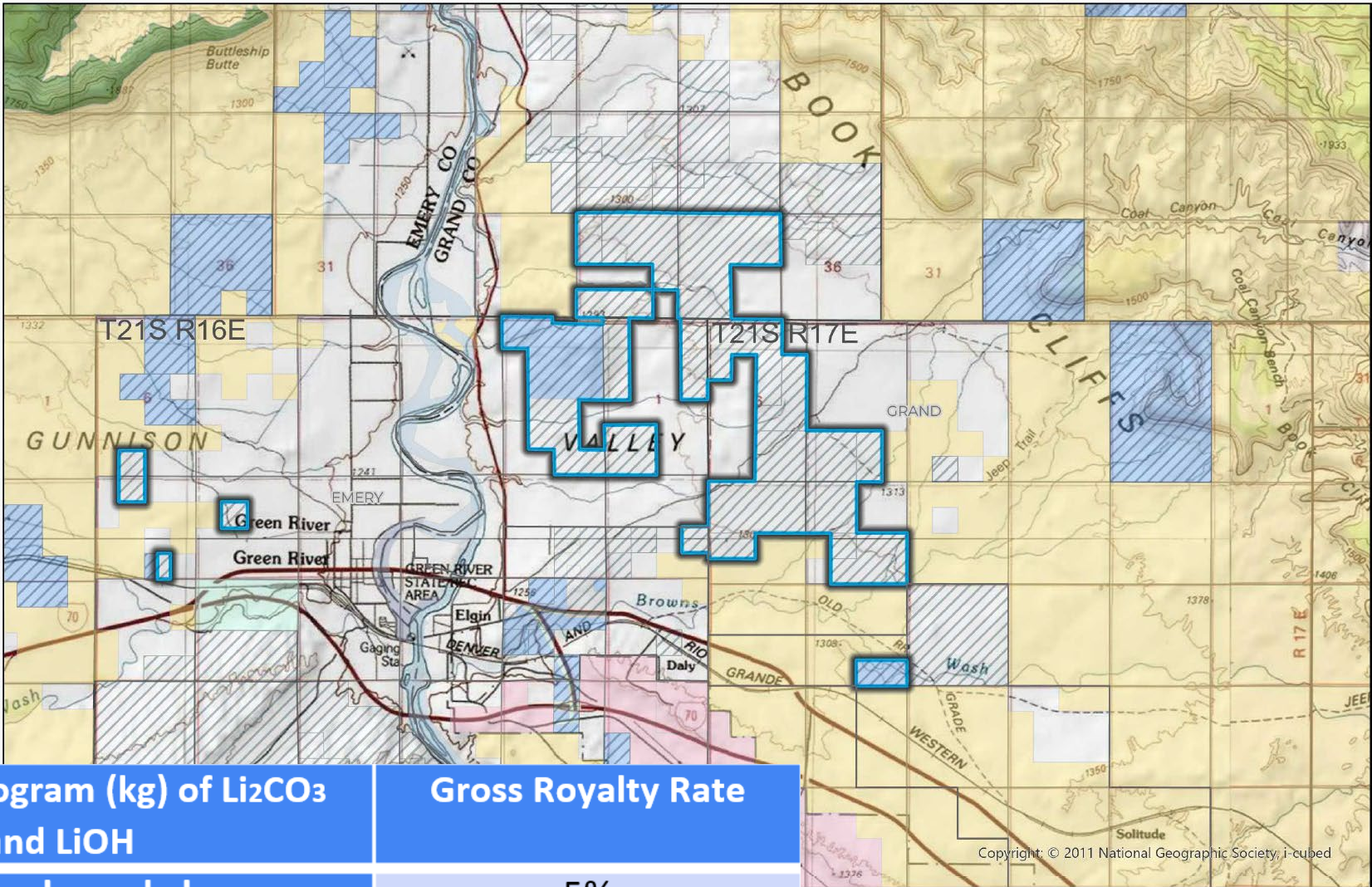


Figure 1-3. Regional setting of the Paradox Basin, showing oil and gas fields that produce from the Mississippian Leadville Limestone, and thickness of the Leadville (contour interval is 100 feet). Modified from Parker and Roberts (1963).

Overview & Proposed Terms

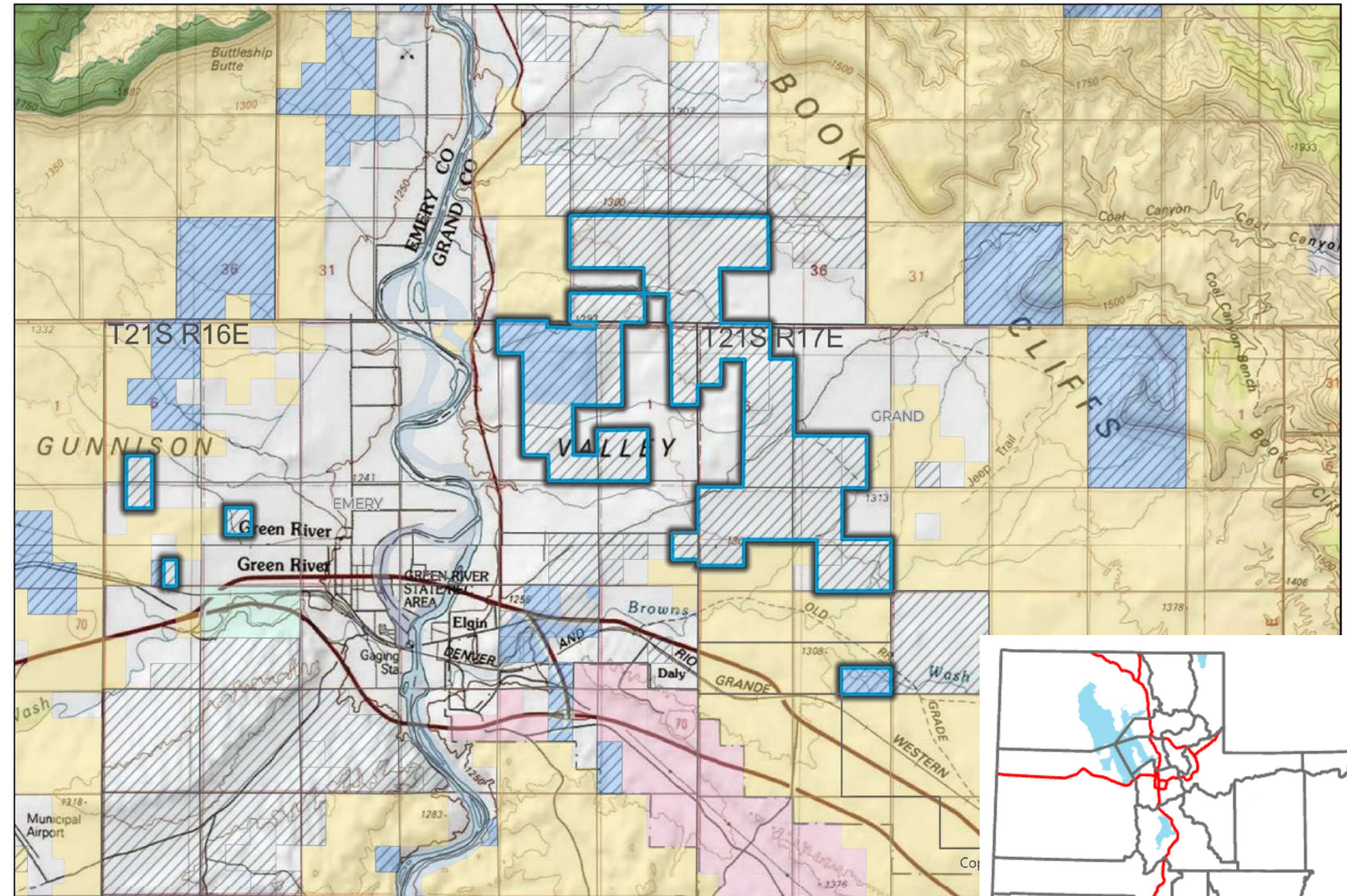
- ❑ 3,940.82 total acres
- ❑ Three-year Exploration Agreement with work commitments
- ❑ Option to Lease (Ten-year Primary Term) contingent on completion of work commitments, annual progress reports, and JORC report
- ❑ Annual rental of \$4.00 per acre (\$15,764)
- ❑ \$5.00 per acre bonus payment (\$19,705)
- ❑ 1% to 5% sliding-scale gross royalty on lithium



Price per kilogram (kg) of Li ₂ CO ₃ and LiOH	Gross Royalty Rate
\$55.01 per kg and above	5%
between \$45.01 and \$55.00 per kg	4.5%
between \$35.01 and \$45.00 per kg	4%
between \$25.01 and \$35.00 per kg	3.5%
between \$15.01 and \$25.00 per kg	3%
between \$12.01 and \$15.00 per kg	2.5%
up to and including \$12.00 per kg	1%

Rationale & Recommendation

- ❑ AI Lithium has existing projects and federal claims throughout the proposed lands
- ❑ Green River infrastructure advantage
- ❑ Exploration period of 3 years with a requirement to test Utah's Trust Lands mineral potential



Questions?

Thank You

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

“I move to approve ML 54767 OBA on the terms set forth in the board memorandum and to have the agency take all further actions necessary to finalize the transaction.”

Item
10 C

AGENDA

Proposed Major Development Transaction- St. George Regional Airport with BoxHouse, Inc.

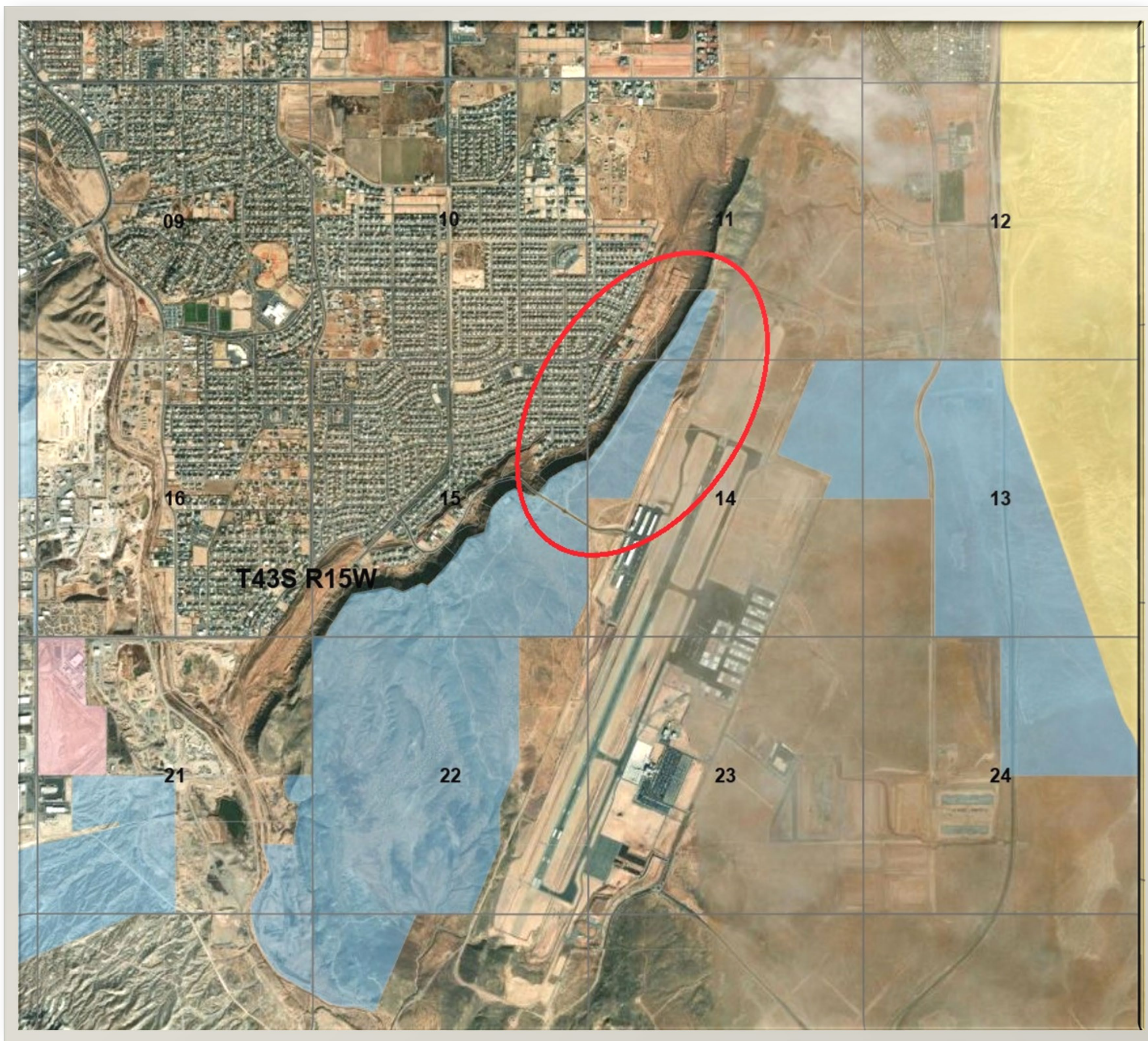
Gregg McArthur

Assistant Managing Director
Residential and Commercial Development

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St. George Regional Airport

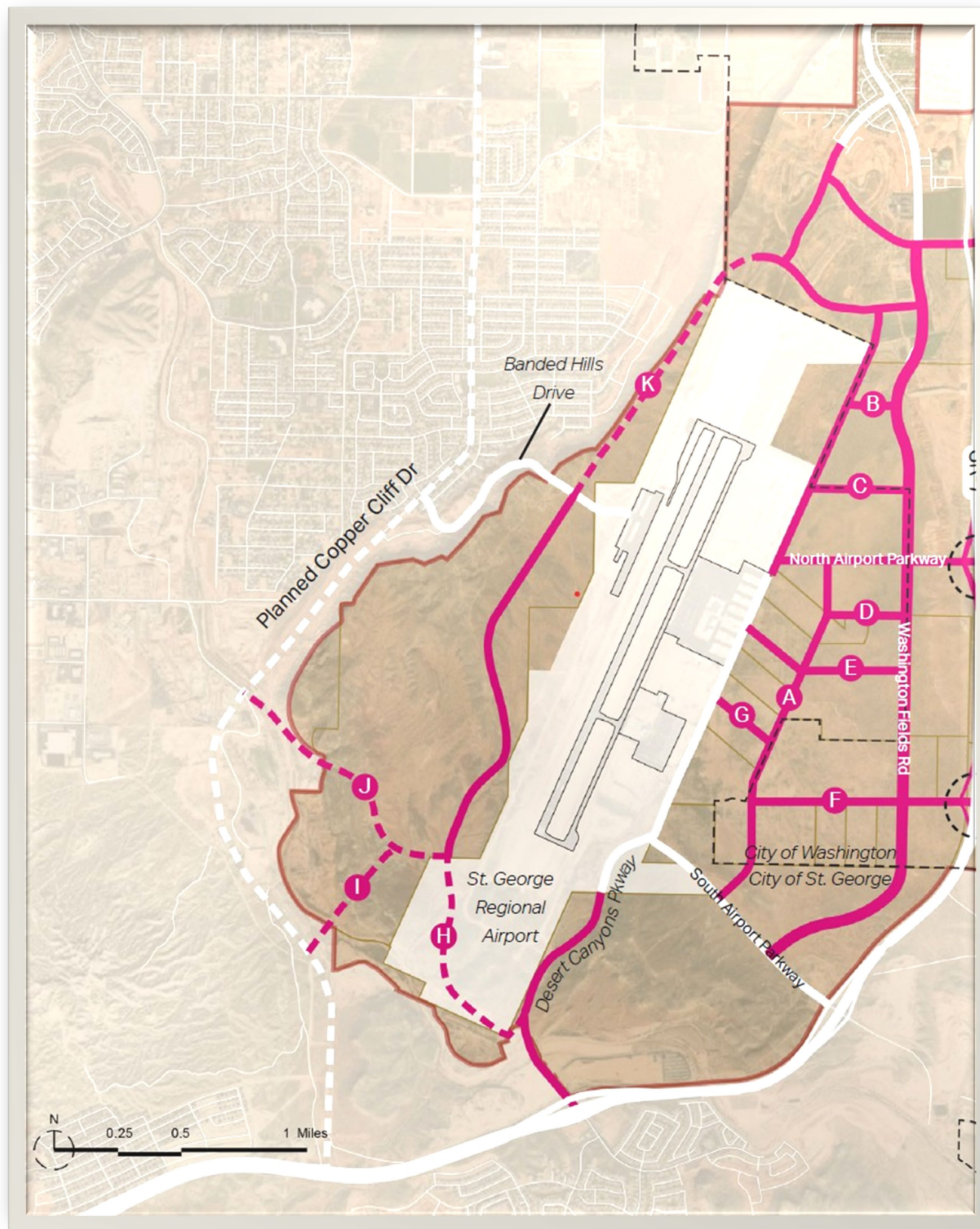


**St George
Airport**

**Northwest
82 Acre
Location**

The Lands





West Airport

Future Access Planning

Airport Tower



The Appraisal

Land Data

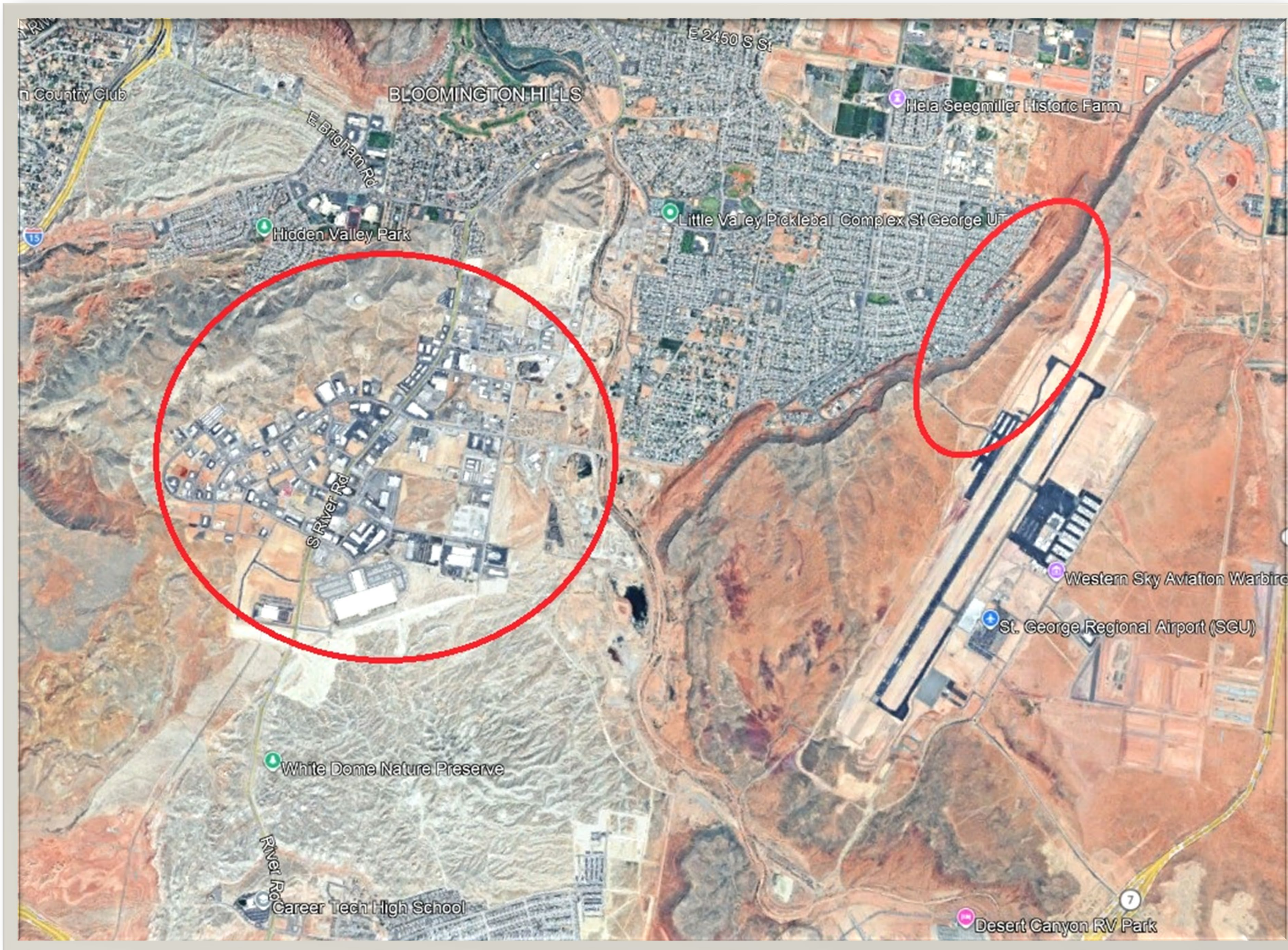
Site Size:	82.00 acres; 3,571,920 square feet
Shape:	Irregular
Topography:	Rolling hills
Zoning:	ASBP
Utilities:	The subject's utilities are typical and adequate for the market area.
Flood Zone:	Zone X. The site is not located in a flood hazard area.

Reconciled Value:

Appraisal Premise:	'As Is'
Effective Date:	March 27, 2026
Property Rights:	Fee Simple
Value Conclusion:	\$21,430,000

BoxHouse Inc. - Offer

- **Purchase Price: Appraisal Price - \$21,431,520**
- **Due Diligence: 45 Days**
- **Earnest Money Deposit: \$500,000**
- **Close Period: 120 Days**



Fort Pierce Industrial Park

Year over Year Price Escalation

5.32%

Hold vs Sell 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

Questions?

Thank You

The agency requests the Board approve the final terms of the sale and offers the following proposed motion:

“I move to approve the final terms of the sale of the 82-acre St. George Airport Northwest parcel as set forth in the board memorandum and to have the agency take all further actions necessary to finalize the transaction.”

Item
10 D

AGENDA

Proposed Board Policy on Agency Risk Management Plan

Stephanie Barber-Renteria

Deputy Director

[HOME](#)



Kanarra Falls

Item
10 E

AGENDA

Proposed Board Strategic Plan Policy

Michelle McConkie

Executive Director

[HOME](#)



Kanarra Falls

Item 11A

AGENDA

Proposed Minor Development Transaction in Washington County, Utah, with Dixie Power

Gregg McArthur

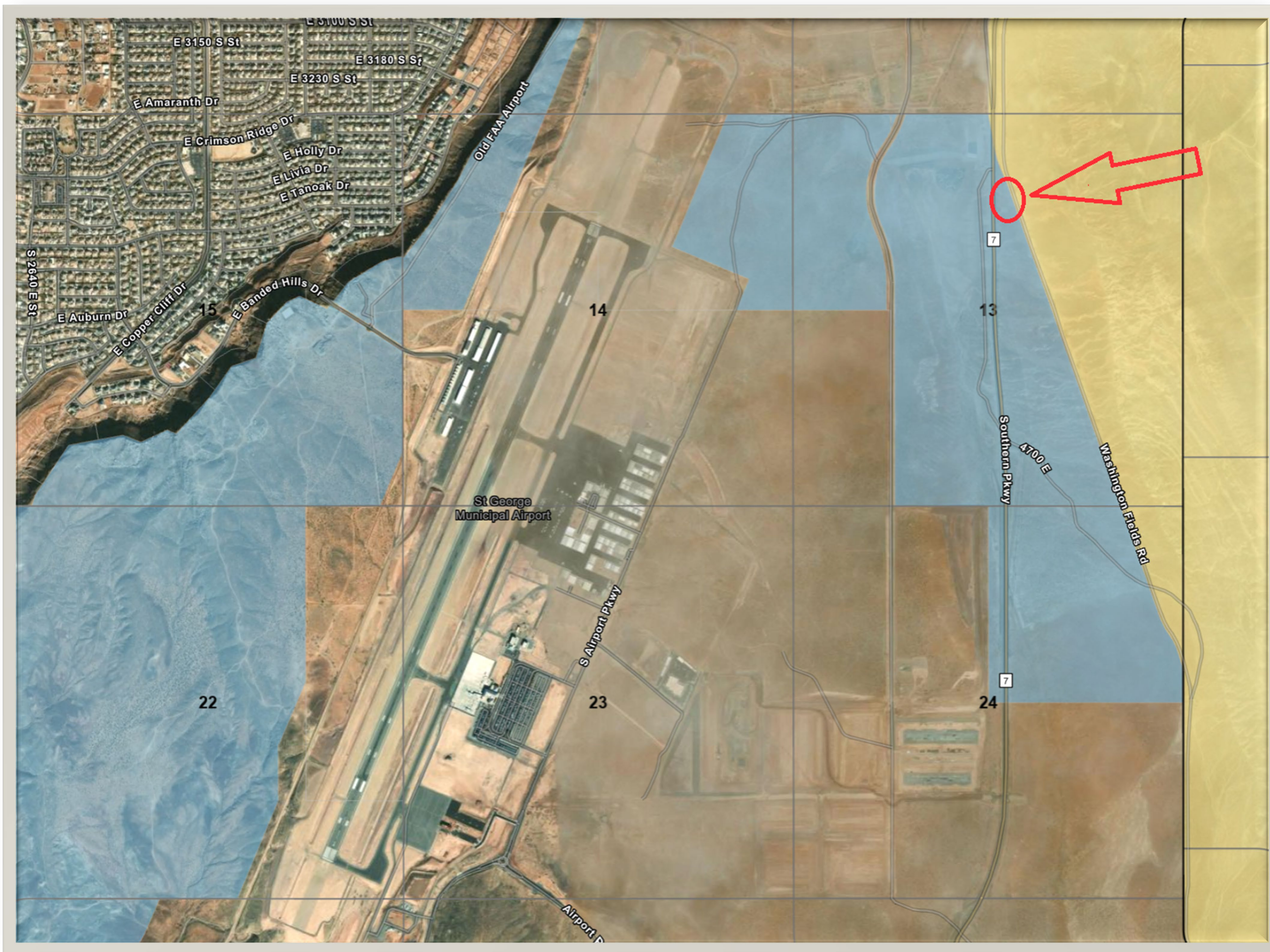
Assistant Managing Director

Residential and Commercial Development

[HOME](#)



Sage Haven



St. George Airport East Substation Location

2015 – TLA Acquired 479 Acres Block of Land From the BLM.

- **“Utah Agricultural College List Grant #27”.**
- **No Trade or Payments** were involved in acquiring the Land.
- **Land came with all commitments and encumbrances** made by the BLM.
- **Included 0.95 acre Perpetual Easement** granted to Dixie Power for Electrical Substation.



**Black - Entitled
0.95 Acres**

**White - Extra
0.18 Acres**

Total Acres : 1.13

The Appraisal

Value Conclusion	
Premise	'As Is'
Date of Value	7/23/2026
Conclusion - Subject Portion Consisting of 0.18 Acre	\$45,000
Subject Portion Consisting of 0.95 Acre W/Out Restrictions	\$250,000
Less: Property Restrictions at 100%	<u>(\$250,000)</u>
Conclusion - Subject Portion Consisting of 0.95 Acre	\$0
Conclusion - Aggregate of the Subject Property	
Consisting of 1.13 Acres	\$45,000

Dixie Power - Offer

- 0.18 Acre Parcel – Offer to purchase for Appraised Price.
Appraisal: **\$45,000.00**
- 0.95 Acre Parcel – Request to purchase **at Appraised Price** or obtain permanent easement.
Appraisal: **\$0.00**
Ask: **\$100.00.**

Transaction Details

- **Advertised lands in June.**
- **No other offers received.**
- **Dixie Power – Agreed to Pay \$45,000 + \$100 For 1.13 Acre Property**
- **Trust Lands in the area will benefit from the Substation**

Questions?

Thank You

Item
11B

AGENDA

Minor Development Transaction – Amendment to Development Lease No.1263 (DEVL 1263) with MW-Kanab LLC

Aaron Langston

Managing Director

Residential and Commercial Real Estate

[HOME](#)









The Parcel Appraisal



Mr. Aaron Langston
June 15, 2021
Page Two

This appraisal relies on the following hypothetical condition:

- None.

This appraisal relies on the following extraordinary assumptions:

- None.

The use of hypothetical conditions and/or extraordinary assumptions might have affected the assignment results.

Based upon my examination and study of the property and the market in which it competes, and subject to the hypothetical condition, extraordinary assumptions and limiting conditions contained later in this report, Market Value of the 'as is' Fee Simple Interest as of June 9, 2021, is as follows:

\$910,000

Nine Hundred Ten Thousand Dollars

This letter of transmittal must be accompanied by all sections of this report as outlined in the Table of Contents, in order for the value opinions set forth above to be valid.

Respectfully submitted
Accurity - Morley & McConkie, LC

A blue ink handwritten signature, appearing to read 'Stanford S. McConkie Jr.', is written over the printed name and title.

Stanford S. McConkie Jr., MAI
UT State Certified General Appraiser
UT #5558340-CG00 Expires April 30, 2023

The Developer / User



Project Kanab ~100 Acres: Mineral Village



Hotel



Vacation Rentals



Vacation Homes



BENEFITTING

THE MINERS HOSPITAL

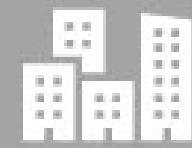
Health Care Home

Introduction to Senate Bill 228

Public Infrastructure District
Act (signed into law in
2019)



Codified as Title 17D, Chapter 4



This bill grants cities and counties (Creating Entity) the power to create Public Infrastructure Districts (PIDs) to finance public infrastructure for new development and redevelopment



PIDs can issue debt repayable from property taxes or assessments on the property owners within its boundaries



PIDs can be an effective tool to the interests of both municipalities and property owners when potentially competing interests are balanced



Ventana Public Infrastructure District

Step 1

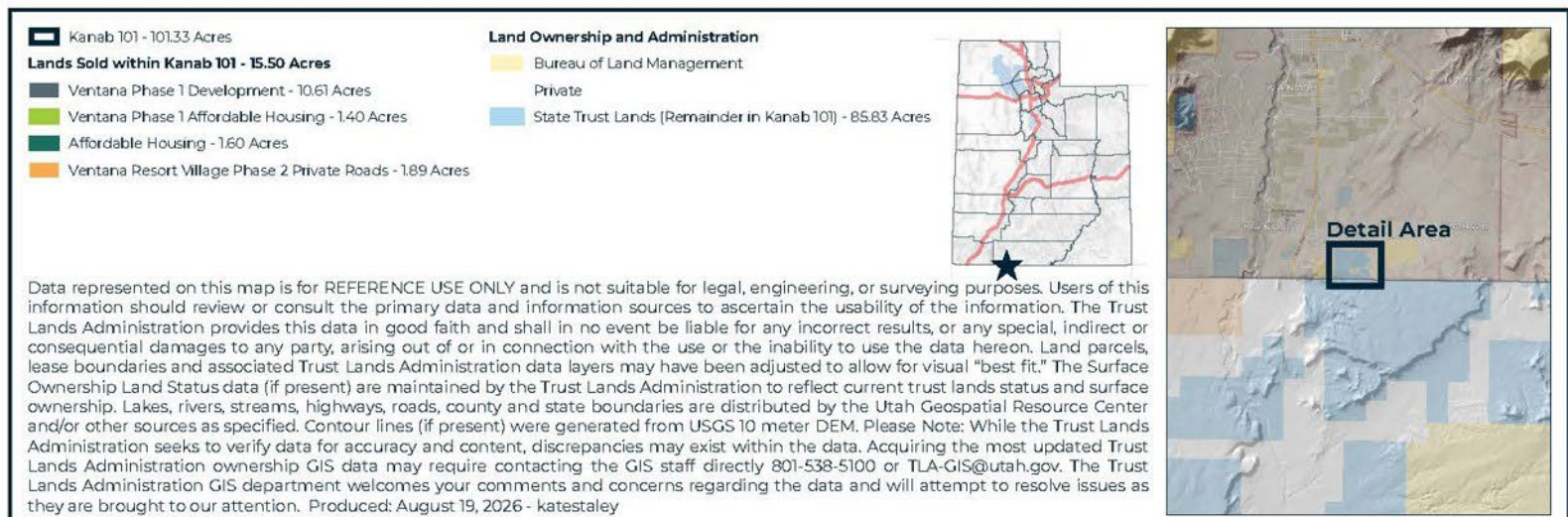
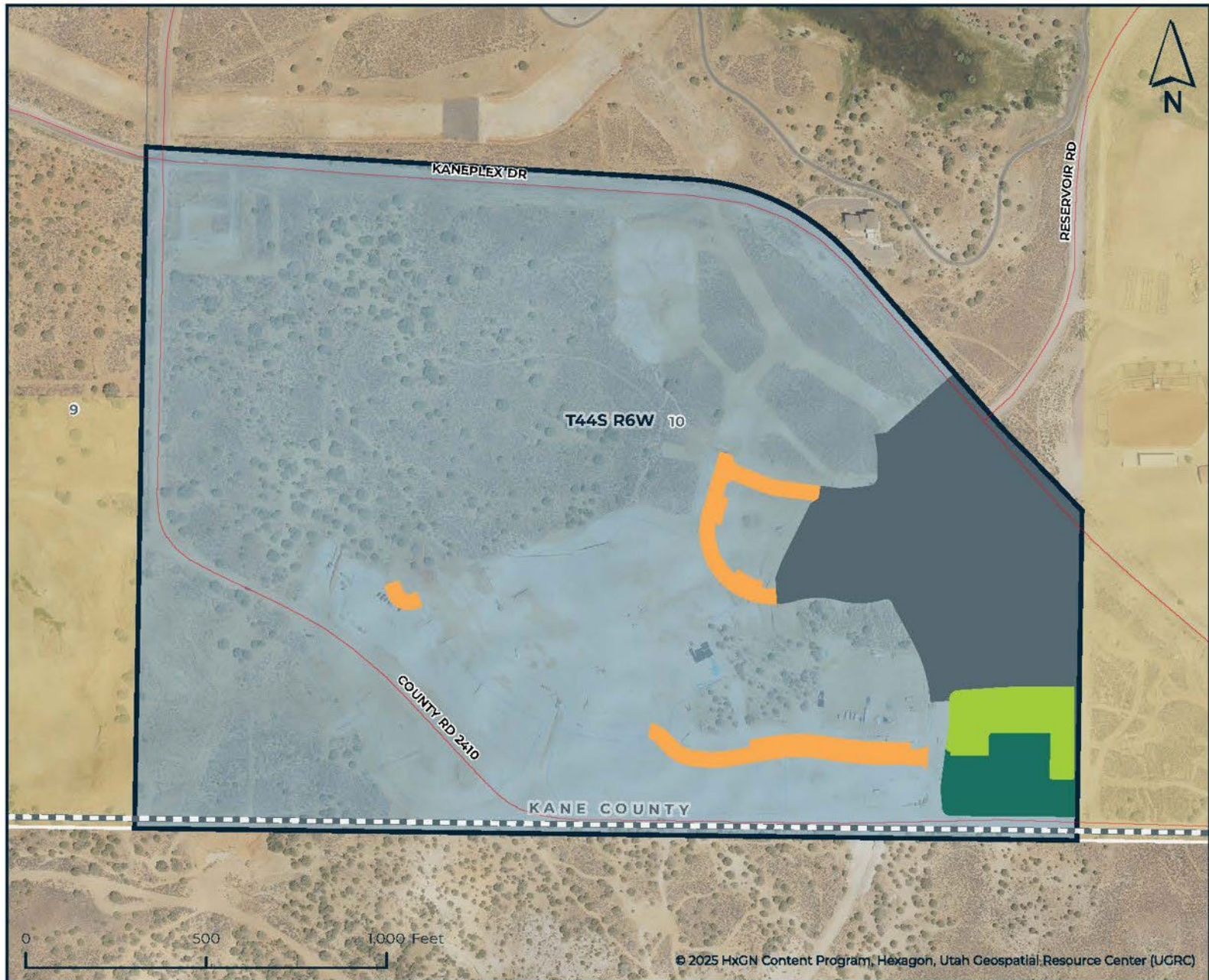
Establish the **Public Infrastructure District**

- On October 3, 2023, Ventana Resort Village Public Infrastructure District (*PID* or *District*) was created covering the full 101 acres.
- The District is governed by a Kanab City ordinance, Utah State Law, and the PID creation documents and provides a financing mechanism to fund qualified public infrastructure improvements within the project.

Step 2

Limited Tax Bond (LTB)

- The District issued a \$12M Limited Tax Bond (LTB), secured by a 6-mill property tax levy within the District.
 - Future property owners will be responsible to pay the money back over 30.
 - SITLA is not obligated to pay back any of the money.
 - The lessee has spent \$9M on horizontal infrastructure for Phase I of the Project. The remaining \$3M is held back by the District for administrative purposes, including issuance costs and reserves.
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Ventana Public Infrastructure District

Step 3

Special Assessment Bond

- The District is now seeking to issue special assessment bonds for \$29.4M of the required \$44M to complete the horizontal infrastructure within the District, which will create a lien against all 101 acres within the District.
- After the first 3 years of payment reserves, annual payments estimated at \$2M - \$2.5M will be assessed against unsold properties.
- The property owners are responsible for paying these assessments.
- As properties are sold to end users, the assessment obligation is proportionately reduced at the sale of each lot or at certificate of occupancy, reducing TLAs exposure or assessment amount.
- Until properties are sold to end users, development partners will be responsible for assessment payments until the bond is paid.
- Failure to pay assessments may result in foreclosure of the affected property. If development partners can't meet their obligations, TLA will be required to make payments under its contractual commitments to protect its land interests.

TLA is being asked to authorize the \$29.4M Special Assessment Bond. We do not feel that is in the best interest of the Trust.

Changing Risk Profile



- Lessee desired to build a luxury level hotel instead of the more modest one originally planned, requiring double the original investment, thus diluting the value of SITLA's equity position.
 - In June staff presented a proposal to address this by selling the hotel parcel and increasing the revenue share for the remaining project. This was approved but the amendment has not been executed.
- The PID financing sought by the lessee requires the subordination of our land to the loan, putting trust lands at risk
 - Staff now judges the project too risky for SITLA and proposes an outright sale with reduced revenue (still three times the original appraised value) and no development risk to SITLA
 - Authorization to spend additional PID funds with every payment to SITLA.

Buy Out

- To date, 15.50 acres have been sold under existing lease for \$122K (no reconciliations have been made yet)
- Remaining Property: 85.83 acres for \$2.8M
- Sale to occur within 60 days

Analysis

- 2022 NPV: \$ 4.1M (moderate) - \$6.8M (proposed)
- June Proposal: \$5.0M (Increased Risk)
- Today's proposal \$2.9M (Risk Free)
- 2021 Appraisal: \$0.9M
- 2026 Appraisal: \$2.8M

Questions?

Thank You

Meeting Adjourn

