TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board Meeting Materials

October 22, 2026

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Meeting Agenda

Thursday, October 22, 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

September 17, 2026 Board Meeting Minutes

3. Confirmation of Upcoming Meeting Dates

November 19, 2026 - Regular Meeting
December 2026 - No Board Meeting
January 14, 2027 - Regular Meeting

4. Trust Lands Funds in Action by Marla Kennedy, Director of Communications, Trust Lands Administration

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

6. 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.

*PLEASE NOTE: In compliance with building and fire code, the maximum occupancy load for the TLA boardroom is 49 people. We encourage online participation by registering for the meeting here: https://utah-gov.zoom.us/webinar/register/WN_91_dOWNITFaK-z-dIENk0g

Once the boardroom reaches capacity, attendees will not be permitted in the building and must join online. Thank you.

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

A. FY2027 First Quarter Revenue Report (Michelle McConkie, Executive Director)
B. Wildfire Season Update (Jim Davis, Managing Director, Surface Resources)
C. Progress Report on Recently Acquired Federal Exchange Lands (Chris Fausett, Deputy Director, Energy and Land Resources)

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

A. FY2027 Distributions
B. KSL Segment
C. Comments

9. Action Items

A. Proposed Board Policy on Agency Risk Management Plan by Stephanie Barber-Renteria, Deputy Director, Operations

B. Proposed Board Strategic Plan Policy by Michelle McConkie, Executive Director

C. Proposed lease termination of Development Lease 1238 located in Washington County, Utah (11.56 +/- acres) with Dynasty Development ZVSITLA Phase One, LLC by Aaron Langston, Managing Director, Residential and Commercial Real Estate

D. Capital Budget Request for County Level Asset Management Planning Services by Troy Herold, Planning Director, Strategic Initiatives

E. Closed Session (Pursuant to Utah Code Section 53C-1-201(8)(a)(i), the board may conduct a strategy session to discuss market conditions relevant to the sale of particular trust assets if the terms of the sale of any trust assets are publicly disclosed before the board approves the sale and a public discussion would: (A) disclose the appraisal or estimated value of the trust assets under consideration; or (B) prevent the board from completing a contemplated transaction concerning the trust assets on the best possible terms. In this closed session regarding a potential sale, the Board may also, pursuant to Utah Code Section 52-4-205(1)(e), conduct a strategy sessions to discuss the sale of real property, including any form of a water right or water shares, if public discussion of the transaction would: (A) disclose the appraisal or estimated value of the property under consideration; or (B) prevent the public body from completing the transaction on the best possible terms.)

10. 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-dIENk0g.

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 October 21, 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 communication 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: October 13, 2026

Meeting Minutes

September 17, 2026

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

September 17, 2026 Board of Trustees Meeting Minutes

Board Members Present at Anchor Location

Dr. Mike Nelson, Chair
Mr. Dan Simons, Vice-Chair
Mr. John Baza
Mr. Brian Tarbet
Ms. Kelly Williams
Mr. Spencer Moffat
Mr. Mike Mower

Board Members Absent

Attending Public

Liz Mumford, SITBAO
Kira Bennett, USBE
Lara Smith, USBE
Marcus Chen, USBE
Larry Jensen, Commissioner, Carbon County
Tony Martines, Commissioner, Carbon County (online)
Jared Haddock, Commissioner, Carbon County (online)
Harry Hansen, Valar Atomics
Andrea Hansen
Terry Bell, Valar Atomics
Ben Orgill, Valar Atomics
Cory Gardner, Valar Atomics
Tracy Rees, OED
Kael Weston (online)
Jess Housekeeper, Valar Atomics
Jessie Vigil, Valar Atomics

Attending Public (continued)
Mara Hammer, Utah PTA
Luca Puccio, Valar Atomics
Teddy MacDonald, Valar Atomics
David Lipousley, Valar Atomics

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

Approval of Minutes
A motion to approve August 20, 2026, board meeting minutes was introduced by Mr. Baza and seconded by Mr. Tarbet. The motion passed unanimously.



Yea	Nay	Excused

Mr. Tarbet
Ms. Williams
Chair Nelson
Vice-Chair Simons
Mr. Baza
Mr. Moffat
Mr. Mower

Confirmation of Upcoming Meeting Dates
October 22, 2026 - Regular Meeting
November 19, 2026 - Regular Meeting
December 2026 - No Board Meeting

How Trust Lands Funds are Distributed, and School Trust Funds Plans are Developed
Kira Bennett, Marcus Chen, and Lara Smith from the Utah State Board of Education (USBE) provided an update on the School LAND Trust Program and expressed appreciation for the Trust Lands Administration's work generating revenue for education beneficiaries. The USBE team reviewed the role of local school community councils in identifying academic needs and developing plans for the use of School LAND Trust funds.

The team also discussed USBE's role in providing training, technical assistance, reporting, and compliance oversight. The presentation highlighted program accountability, local decision-making, funding distributions, and the significant growth of School LAND Trust distributions over the program's

history. Presentation details can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 4-14).

Social Media Minute

Joelette Organista shared a video highlighting the Trust Lands Administration's Land Planner, Josh Quiqley, and the factors considered in long-term land planning, including ownership, existing leases, access, topography, and potential development. The video was part of the agency's social media efforts to increase public awareness and transparency. https://www.utah.gov/pmn/files/1490467.pdf (slides 15-16).

Public Comment Period

During public comment, online commenter, Kael Weston, from the Federalism Commission thanked the agency for its work and acknowledged its efforts to support Utah's beneficiaries. He requested a future update regarding the agency's focus on workforce and entry-level housing, particularly in light of current housing challenges.

Harry Hansen, Public Affairs at Valar Atomics, expressed his support for the proposed development and investment in the Huntington area, noting the potential to create new employment and economic opportunities for local communities. He shared his family's connection to the area and stated that local leaders and residents have been supportive of the project. He thanked the Board for the opportunity to work with the agency and expressed interest in continuing the partnership.

Tracy Rees, Deputy Director with the Utah Office of Energy Development, spoke in support of Valar Atomics and its proposed expansion in Utah. She highlighted the company's partnership with the Utah San Rafael Energy Lab, commitment to transparency and community engagement, use of local businesses and workers, and contributions to economic development. She encouraged the Board to give serious consideration to Valar Atomics' request.

Commissioner Larry Jensen (Carbon County) expressed support for Valar Atomics, citing the decline of coal production and the need for new industry and economic development in Carbon County. He noted Valar's community engagement and emphasized the importance of new energy generation to support future businesses and employment opportunities in the region.

Jess Housekeeper, Utah Operations Director for Valar Atomics and Emery County native, expressed support for approval of the proposed lease. He emphasized the opportunity to build on the region's long history in energy production, utilize the existing workforce, create jobs, and support the next generation of energy development through nuclear power.

Terry Bell, Valar Atomics, and an Emery County native with a career in radiation protection expressed support for Valar Atomics, highlighting its positive impact on the community through local employment,

training opportunities, and public outreach. Mr. Bell shared that the project provided an opportunity to return home and encouraged continued investment in nuclear energy development in the region.

Ben Orgill, Valar Atomics and a lifelong Utah and Emery County resident, thanked TLA for its positive impact on his family, career, and education. He expressed support for Valar Atomics and encouraged the Board to consider the lease, highlighting the potential for nuclear energy to create jobs and benefit rural communities.

Online commenter, Commissioner Jared Haddock (Carbon County) echoed support for Valar Atomics and emphasized the company's efforts to engage with and educate the local community. The speaker thanked the Board and the agency for their continued support of projects benefiting Carbon County.

Online commenter, Commissioner Tony Martines (Carbon County) expressed strong support for Valar Atomics, citing its community engagement and alignment with the county's long-term energy and economic development goals. Commissioner Martines emphasized the region's workforce, infrastructure, and energy-producing history and encouraged continued support for Valar's efforts.

Cory Gardner, Head of Commercial Development at Valar Atomics, thanked the Board, Trust Lands Administration, local communities, and supporters for their partnership. He highlighted the company's progress in nuclear energy development and expressed its commitment to expanding operations in Utah to support more affordable and abundant energy production.

Chair's Report

Chair Dr. Mike Nelson thanked those who provided public comment and discussed the importance of responsible, long-term stewardship of trust resources. He emphasized balancing the Trust Lands Administration's fiduciary responsibilities with careful consideration of potential risks and long-term impacts, and expressed appreciation for Valar Atomics' responsiveness and willingness to work with the agency as the project develops.

Director's Report

Director Michelle McConkie presented the Fiscal Year 2026 year in review, reporting a record $192.48 million in agency revenue. She highlighted strong performance across energy and minerals, residential and commercial real estate, and surface resources, including several significant land sales and continued diversification of the agency's portfolio.

The Director also discussed the agency's increased focus on proactive land planning, financial analysis, and long-term management to maximize value for beneficiaries. She highlighted the attainable housing project in Washington County and emphasized the importance of collaboration with beneficiary representatives, state and local agencies, industry partners, and other stakeholders in advancing projects

and creating long-term value from trust lands. Details of the presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 19-24).

Advocacy Office Report

Director Liz Mumford commended the Board and staff for their thorough review, deliberation, and risk analysis of the proposed Valar Atomics project. She expressed support for energy infrastructure projects that align with state initiatives and local government support, noting their potential to generate long-term revenue for public school beneficiaries. She also highlighted the additional benefits of job creation, economic development, and an expanded tax base for local schools and communities.

Action Items

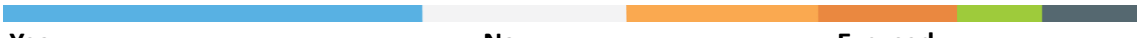
Item 10A.

Mr. Jim Davis and Mr. Bryan Torgerson shared a presentation regarding Proposed Special Use Lease Agreement Other Business Arrangement (OBA) 2095 located in Carbon County, Utah (beginning with 480 acres up to 640 +/- acres) with Valar Atomics, Inc. The presentation reviewed the proposed financial terms, long-term lease and purchase options, regulatory requirements, bonding, water considerations, and other safeguards.

Mr. Davis and Mr. Torgerson noted support from Carbon County and highlighted the potential economic benefits of the project. They also emphasized the multiple layers of local, state, and federal oversight and recommended the proposal for Board consideration. Details of the presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 26-37).

Board members commended staff and Valar Atomics for the thorough presentation and development of the proposed terms. Discussion focused on regulatory oversight, periodic project updates to TLA, opportunities to preserve future revenue potential, and the terms of the purchase option, including how an early purchase would be calculated and whether a lockout period applies. Chair Nelson noted that his questions had been addressed and thanked staff and Valar Atomics for their work.

Mr. Mower moved to approve 2095 OBA. The motion was seconded by Ms. Williams and approved unanimously by the board.



Yea	Nay	Excused
Mr. Tarbet		
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Mr. Moffat		
Ms. Williams		

Item 10B.

Drew Bonner shared the presentation ML 54767 OBA regarding A1 Lithium's proposal for a 3,940-acre, three-year exploration agreement with an option to lease in the Green River area to evaluate lithium brine potential. Proposed terms include annual rent, a bonus payment, and a sliding-scale royalty based on lithium market prices. Mr. Bonner noted the project's infrastructure advantages and recommended Board approval of the OBA. Details of the presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 38-43).

The Board discussed Utah's developing regulations for lithium brine extraction. TLA staff confirmed that Trust Lands has participated in the rulemaking process and expects the regulations to be in place before operations begin on the proposed lease.

Mr. Baza moved to approve ML 54767 OBA. The motion was seconded by Mr. Moffat and approved unanimously by the board.



Yea **Nay** **Excused**

Mr. Tarbet
Mr. Mower
Chair Nelson
Vice-Chair Simons
Mr. Baza
Mr. Moffat
Ms. Williams

Item 10C.

Aaron Langston and Gregg McArthur presented the Proposed Major Development Transaction located at the St. George Regional Airport northwest parcel, Washington County, Utah (82 +/- acres) with BoxHouse, Inc. The proposed fee simple sale is for the appraised value of approximately $21.43 million. Staff compared the property's historical appreciation rate with anticipated investment returns through SITFO and determined that selling the property would provide greater long-term benefit to the trust. TLA staff recommended proceeding with the sale. Details of the presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 44-53).

In response to a question from Trustee Williams regarding the 120-day closing period and FAA regulations, Mr. Langston clarified that FAA approval is separate from the due diligence period. The buyer is aware of the FAA requirements, has conducted preliminary discussions regarding development, and does not anticipate the restrictions being a concern.

Vice-Chair Simons moved to approve the Major Development Transaction - St. George Regional Airport with BoxHouse, Inc. The motion was seconded by Mr. Tarbet and approved unanimously by the board.

Yea	Nay	Excused
Mr. Tarbet		
Mr. Mower		
Chair Nelson		
Vice-Chair Simons		
Mr. Baza		
Mr. Moffat		
Ms. Williams		

Item 10D.

The Proposed Board Policy on the Agency Risk Management Plan was tabled to allow for additional discussion.

Item 10E.

The Proposed Board Strategic Plan Policy was tabled to allow for additional discussion.

Notification Items

Item 11A.

Notice of a Proposed Minor Development Transaction located on the northeast corner of the St. George Airport East development block in Washington County, Utah (1.3 +/- acres) with Dixie Power. Details regarding this presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 56-63). Given this was a notification item, no board action was required.

Item 11B.

Notice of Amendment to Development Lease No. 1263 (DEVL 1263), a Minor Development Transaction located in Kanab, Kane County, Utah (101 +/- acres) with MW-Kanab LLC. Details regarding this presentation can be found at: https://www.utah.gov/pmn/files/1490467.pdf (slides 64-76). Given this was a notification item, no board action was required.

Adjourn

The meeting was adjourned at 10:53 a.m. following a motion by Mr. Mower, which was seconded by Vice Chair Simons. The motion passed unanimously.

Yea	Nay	Excused
Mr. Tarbet		
Mr. Mower		
Chair Nelson		

Vice-Chair Simons
Mr. Baza
Mr. Moffat
Ms. Williams

Agenda Item 8A

FY2027 Beneficiary Distributions

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

FY 2027 Beneficiary Distributions

Public Schools	$151,179,253
Utah State University	$1,133,882
Schools for the Deaf	$236,129
Schools for the Blind	$1,281,565
Juvenile Justice and Youth Services	$407,562
Colleges of Education	$472,393
Reservoirs	$1,160,644
Utah State Hospital	$465,226
College of Mines and Earth Sciences	$999,014
University of Utah	$709,043
Miners Hospital	$4,930,023
Total	**$162,974,734**

Action Item 10A

Proposed Board Policy on Agency Risk Management Plan

Stephanie Barber-Renteria, Deputy 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

Risk Management Policy

Board Policy No:	2026-03
Effective Date:	October 22, 2026
Pages:	2

By the Board:

Chairperson

The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on October 22, 2026, and by majority vote adopted the following policy to be an official policy of the Board.

1. The School and Institutional Trust Lands Management Act (the Act), Utah Code Ann. § 53C-1-204, directs the Board of Trustees (Board) of the School and Institutional Trust Lands Administration (agency) to establish policies for the management of the agency and trust lands. These policies must follow existing law, reflect undivided loyalty to the trust beneficiaries consistent with fiduciary duties, require the return of not less than fair market value for the use, sale or exchange of trust assets, and must seek to optimize revenue and land holdings consistent with the balancing of short and long-term interests, so that long-term benefits are not lost in an effort to maximize short-term gains.

2. The Board recognizes that actions taken by the agency and/or activities occurring on trust lands involve a level of risk. For purposes of this policy, "risk" means the chance that internal or external events, decisions, or conditions could negatively affect trust assets or employee safety. This includes, but is not limited to risks from land use, trespass, contractual agreements, laws and regulations, market conditions, staffing, employee injuries, and environmental impacts that limit the agency's ability to manage, protect and grow trust assets.

3. The Board hereby directs the agency to prepare and implement a written enterprise risk management plan (the Plan) that aligns agency decisions with the constitutional, statutory, and fiduciary duties owed to the beneficiaries. For purposes of this policy, "enterprise risk management" means a consistent and coordinated, agency-wide approach to identifying, assessing, prioritizing, monitoring and responding to risks across all functions, assets, and activities of the agency.

4. The Plan will define how risks associated with trust assets will be identified, analyzed, and managed. The Plan will describe how risk management activities will be performed, recorded, and monitored throughout the lifecycle of the risk, and it will identify agency personnel responsible for such actions. The Plan will provide tools and techniques to manage, monitor, and mitigate potential risks and provide a framework to document risk management activities. The Plan will identify regular time intervals for risk assessment, risk retirement, and new risk identification.

5. The Plan will also identify safety risks to agency personnel. The Plan will specify necessary safety protocols and equipment designed to mitigate such threats, while establishing a formal reporting system to analyze occurrences of risk and formulate subsequent mitigation strategies.

6. The agency will conduct an annual review of the Plan to assess the Plan's effectiveness and the need for revision. The agency shall report annually to the Board on the review and any recommended changes to the Plan.

7. The Board will review this policy every three to five years, or as the Board deems appropriate.

Action Item 10B

Proposed Board Strategic Plan Policy

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

Strategic Plan Policy

Board Policy No:	2026-04
Effective Date:	October 22, 2026
Pages:	3

By the Board:

Chairperson

The Board of Trustees of the School and Institutional Trust Lands Administration met in open and public session on October 22, 2026, and by majority vote adopted the following policy to be an official policy of the Board.

1. The purpose of this policy is to establish a collaborative and efficient framework for updating the Strategic Plan of the School and Institutional Trust Lands Administration (the "Administration"). This policy clarifies the responsibilities of the Board of Trustees (the "Board") and the Administration, enabling the Board to provide strategic direction while recognizing the Administration's operational duties in drafting and executing the plan, in accordance with Utah Code §§53C-1-204, 53C-1-302 and 53C-1-303.

2. The Board's primary role in the strategic planning process is to establish a broad vision and articulate policy priorities and high-level desired outcomes. The Director and Administration staff establish the operational methods, tactical development, drafting, and execution of the Strategic Plan.

3. The Board shall act in a policy making capacity regarding the Strategic Plan. Responsibilities include:

    a. Providing direction on high-level goals, Administration priorities, and key performance indicators (KPIs).

    b. Reviewing draft plans to ensure alignment with previously established Board policies.

    c. Receiving those reports described in section 5.e. of this policy.

4. The Director and designated Administration staff have responsibility for the creation and implementation of the Strategic Plan. Responsibilities include:

    a. Determining the timeline, methodology, and internal processes used to build the plan.

    b. Translating the Board's policy direction into actionable strategic objectives, tactical initiatives, and measurable outcomes.

    c. Determining how Administration budget, staff, and resources will be deployed to meet the plan's goals.

    d. Managing the day-to-day implementation of the plan and providing the Board with those reports described in section 5.e. of this policy.

5. To account for both the Board's opportunity to provide direction and the Administration's drafting and execution responsibilities, the strategic planning process will follow these milestones:

    a. Prior to beginning a new planning cycle, the Director (or designee) will send a survey to all Board members. The purpose of this survey is to:
        i. gather input to rank high-level goals for the upcoming planning cycle;
        ii. solicit feedback on the desired priorities for the Administration; and
        iii. provide policy direction that will guide the Administration in drafting the goals and objectives within the Strategic Plan.

    b. The Administration will review the Board's feedback, seek clarification as necessary, and advise on current operational concerns or legal constraints.

    c. The Administration will utilize input from the Board and various levels of staff members of the Administration to draft and refine the Strategic Plan.

    d. The Administration will provide the Board with a draft Strategic Plan. The Board will review the draft plan to ensure the Administration has appropriately considered the Board's input and direction. The Board may offer feedback or suggest adjustments prior to finalization of the Strategic Plan.

    e. The Administration will provide Strategic Plan progress reports to the Board twice per year. These reports will focus on high-level outcomes and metrics rather than granular operational tasks and will include updates on: (i) KPI performance; (ii) overall progress; and (iii) conditions affecting plan execution, such as budget issues, risk assessment or market conditions.

6. While the Strategic Plan is intended to guide the Administration over an approximately 5-year timeline, shifting market conditions, changes in priorities, legislative mandates, or other unforeseen conditions may necessitate adjustments.

    a. Shifts in tactical implementation, internal resource reallocation, timelines, or routine updates to KPIs will be at the discretion of the Director. Any material changes that impact business direction will be included in the bi-annual progress reports.

    b. Proposed changes that introduce a fundamentally new policy direction or substantially shift Administration-wide strategic goals would utilize the same process for gathering input and Board direction as would be sought at the beginning of a new planning cycle.

Action Item 10C

Proposed Lease Termination of Development Lease 1238 with Dynasty Development

Washington County, Utah

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

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SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: October 22, 2026

From: Aaron Langston, Managing Director,
Residential and Commercial Real Estate

Re: Development Lease 1238 – Proposed lease termination

Applicant: DYNASTY DEVELOPMENT JVSITLA Phase One, LLC

Location: T42S, R15W, Section 12, Washington City, Washington County

Acreage: 11.56 acres (+/-)

Beneficiary: Schools

Summary

In June 2021, Dynasty Development Group, LLC ("Dynasty") and the State of Utah School and Institutional Trust Lands Administration ("TLA") formed Dynasty Development JVSITLA Phase One, LLC (the "JV") to develop approximately 11.56 acres of commercial trust lands in Sienna Hills, Washington City (the "JV Property"). The JV Property comprised portions of Parcels 10A and 10D of as shown on the Sienna Hills Site Plan Map, attached as Exhibit A and more specifically illustrated as the "yellow" cross-hatched property in Exhibit B. The Parties now desire to allocate the JV Property, assign responsibility for the loan secured by the JV Property and dissolve the JV. The agency has negotiated the terms of the proposed dissolution and now seeks the Board's approval pursuant to Rule R850-140-700.

Key Information and Background

Troy Belliston approached TLA in 2016 about developing Parcel 10 as depicted on the Sienna Hills Site Plan Map of the Sienna Hills Planned Community Development ("PCD"), attached as Exhibit A. Parcel 10 is approximately 93.3 acres and comprises Parcels 10A through 10F.

A Request for Proposal (RFP) was initiated, and after meeting with, and in consultation with Washington City (who provided written support to TLA for Troy Belliston's proposed development under Dynasty, see Exhibit D), a proposal to enter into a development lease (DEVL 1128) on 40 acres of Parcel 10 was approved by the Board during the May 17, 2017, Board meeting. DEVL 1128 was executed on February 9, 2018. Dynasty was required to make an initial purchase of 10 acres within the 40-acre lease area to bring infrastructure and themed amenities that would help attract businesses to the area. An appraisal valued the property at $6.35 per foot, which escalates under the lease by 3% annually.

From 2018 through 2020, Dynasty failed to take down any property. Instead, it requested multiple extensions. The final extension obligated Dynasty to take down the first 10 acres on or before February 9, 2021. However, in January 2021, the Board of Trustees reviewed and approved TLA to enter a Joint Venture (JV) with Dynasty (DEVL 1238).

The Operating Agreement for the JV obligated TLA to contribute the subject land for a 33% ownership position. Dynasty's obligations were to manage the operations, construct buildings on the platted lots (Plat map shown in Exhibit C), find and secure tenants, and lease those buildings. Revenue from the project would be distributed according to each owner's equity position.

The Plat included 9 lots and totaled 13.77 acres, which included roads. While details for the proposed JV were being finalized, Dynasty closed on two lots (Lot 7 and Lot 8, see certificates of sale C26759 dated 12-4-2020 and C26953 dated 4-29-2021). TLA received the appropriate compensation for these sales under DEVL 1128. The remaining 7 Lots were conveyed to the JV under DEVL 1238 (about 11.56 acres including roads).

Shortly thereafter, the JV sold Lot 3 to Utah First Credit Union. TLA calculated its share of the purchase price for Lot 3 at $491,063.78 (the "Disputed Funds"). However, the parties contested whether the Disputed Funds should be disbursed to TLA or added to the operating account of the JV. The Disputed Funds sit in a suspense account today.

In addition, a loan from Cache Valley Bank, with a balance of approximately $2.4M, exists and is secured by the remaining JV Property.

<u>Proposed Dissolution</u>
The proposed dissolution is generally as follows:

1. The JV will convey Lots 4, 5 and 6 to TLA (the "TLA Property") free and clear of all loan encumbrances.
2. TLA will release the Disputed Funds for the sole purpose of paying down the loan balance.
3. The JV will convey Lots 1, 2 and 9 to Dynasty (the "Dynasty Property"). The loan will encumber the Dynasty Property and TLA will have no further responsibility for the loan

balance. According to Dynasty, the Bank has received appraisals for the Dynasty Property and has agreed to release the TLA Property from the loan.

In addition to the Operating Agreement, TLA also holds an Option Agreement with Dynasty (DEVL 1128) for approximately 30 acres (the "Option Property"). The Option Property is shown on Exhibit B as the cross-hatched purple land. The Option Agreement, which doesn't expire for another 7 years, has conditions that must be met by Dynasty before additional acreage can be purchased. A screenshot of those conditions is shown below (the Initial Parcel refers to the land that became part of the Joint Venture):

2. ***Purchase of Subsequent Option Parcels.*** Purchaser shall not exercise its Purchase Option on subsequent Option Parcels, except as otherwise set forth herein, until Purchaser has:

a. purchased the Initial Parcel;

b. submitted detailed site and design plans for the applicable Option Parcel to the Trust Lands Administration for approval (which approval shall not be unreasonably withheld), and received written approval of such (the "***Approved Plans***");

c. completed the construction of all major infrastructure, including roads, utilities, sidewalks, curb and gutter (but excluding trails) (the "***Backbone Infrastructure***"), as such improvements are set forth on the Approved Plans, for each previously purchased Option Parcel;

d. completed the development of at least seventy five percent (75%) of the vertical improvements set forth on the Approved Plans for each previously purchased Option Parcel;

e. provided the Trust Lands Administration with a surveyed legal description of the Option Parcel to be purchased; and

f. received preliminary subdivision plat approval for the Option Parcel to be purchased, if required by the Development Agreement between the Trust Lands Administration and Washington City.

The proposed dissolution would require TLA to waive these obligations on the condition that Dynasty closes on an existing third-party purchase agreement with a major national anchor on approximately 22 acres of the Option Lands. This would leave approximately 8 remaining acres under the Option Agreement that Dynasty would have an option to purchase without the restrictions shown above.

<u>Financial Analysis</u>

Staying in the JV would require that the loan of $2.4M be paid (several extensions have already been granted). Additional loans would need to be secured to build buildings on any of the lots.

As such, it might make sense to sell one or two of the lots to clear the debt and allow for vertical improvements. Under that scenario, it would take decades to generate enough revenue for TLA to realize the revenue it "booked" when it contributed the JV Property. At the contracted price of $6.93 per square foot, the 11.56-acre land contribution carried a book value of $3.49M.

Alternatively, if the Parties dissolve the JV and TLA receives the TLA Property (Lots 4, 5 and 6), the combined value of those Lots is shown in the table below:

Sale Price ($/sf)	TLA % of JV Assets	Combined Value of TLA Lots 4, 5 & 6	Lot Value as a Percentage of Initial LLC Contribution
$25	75.5%	$3,372,900	97%
$30	70.5%	$4,047,480	116%
$35	67.4%	$4,722,060	135%
$40	65.2%	$5,396,640	154%
$45	63.6%	$6,071,220	174%
$50	62.4%	$6,745,800	193%

Staff feels that it would not be difficult to sell the TLA Property in the range of $30-$35 per foot in today's environment, thus it is likely that TLA would receive the book value back, and more likely that it will indeed make a good return (there has already been one offer on these lots for $50 per square foot, which offer was rescinded after several months of delays).

Recommendation

Staff recommend dissolving the JV as outlined in this memo.

Real Estate Committee Discussion

There was discussion about the possible values of the TLA Property, and a brief discussion about the now-rescinded offer from a credit union to purchase one of the Lots for $50 per square foot, and whether we might be able to resurrect that offer.

Exhibit A

Sienna Hills Site Plan Map

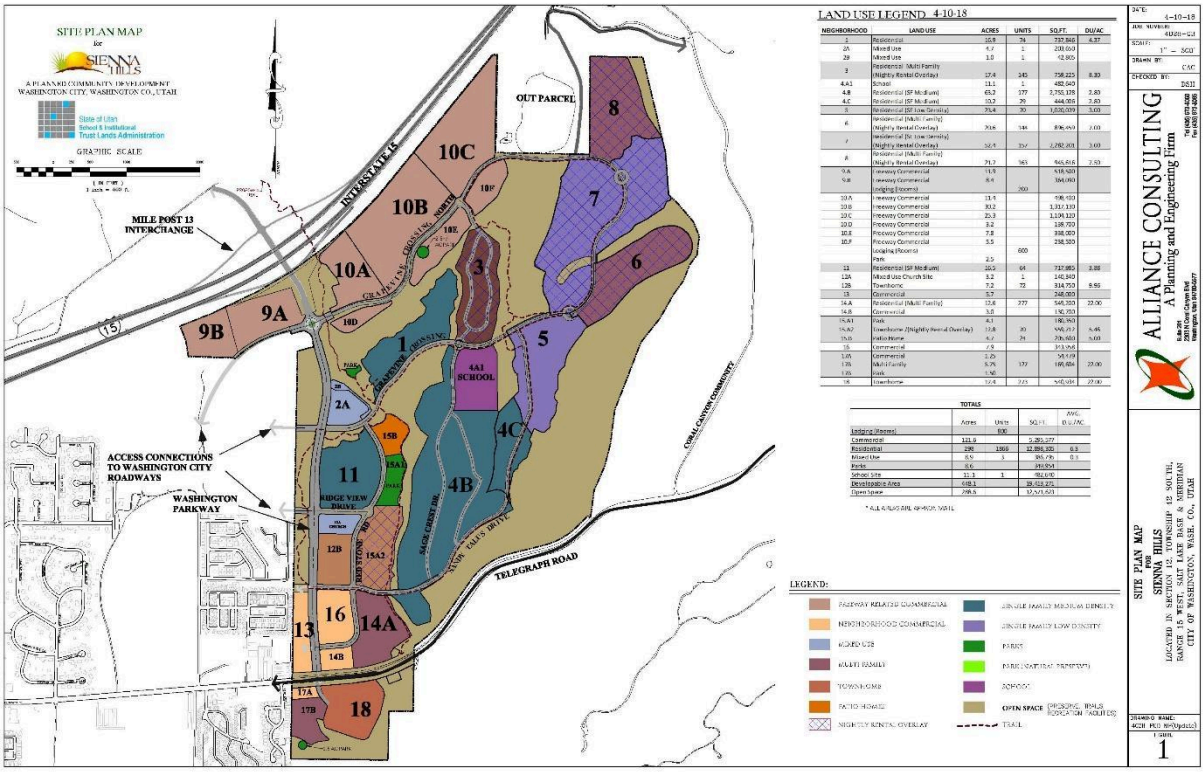


Exhibit B

Option Lands (cross hatched in purple and under DEVL 1128); JV land (in yellow); Green and Dark Blue lands sold under DEVL 1128

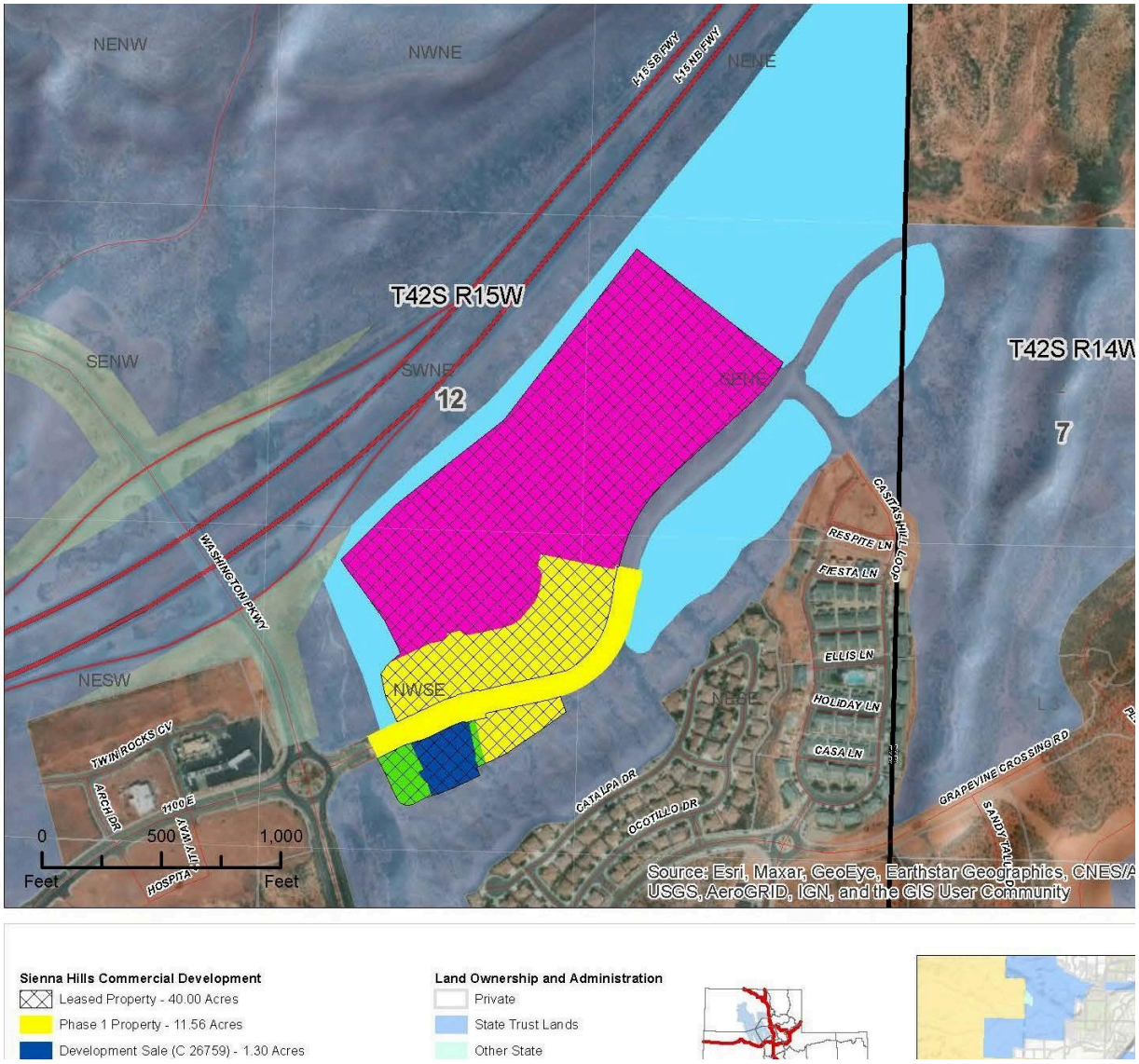


Exhibit C

Grapevine Crossing at Sienna Hills Plat

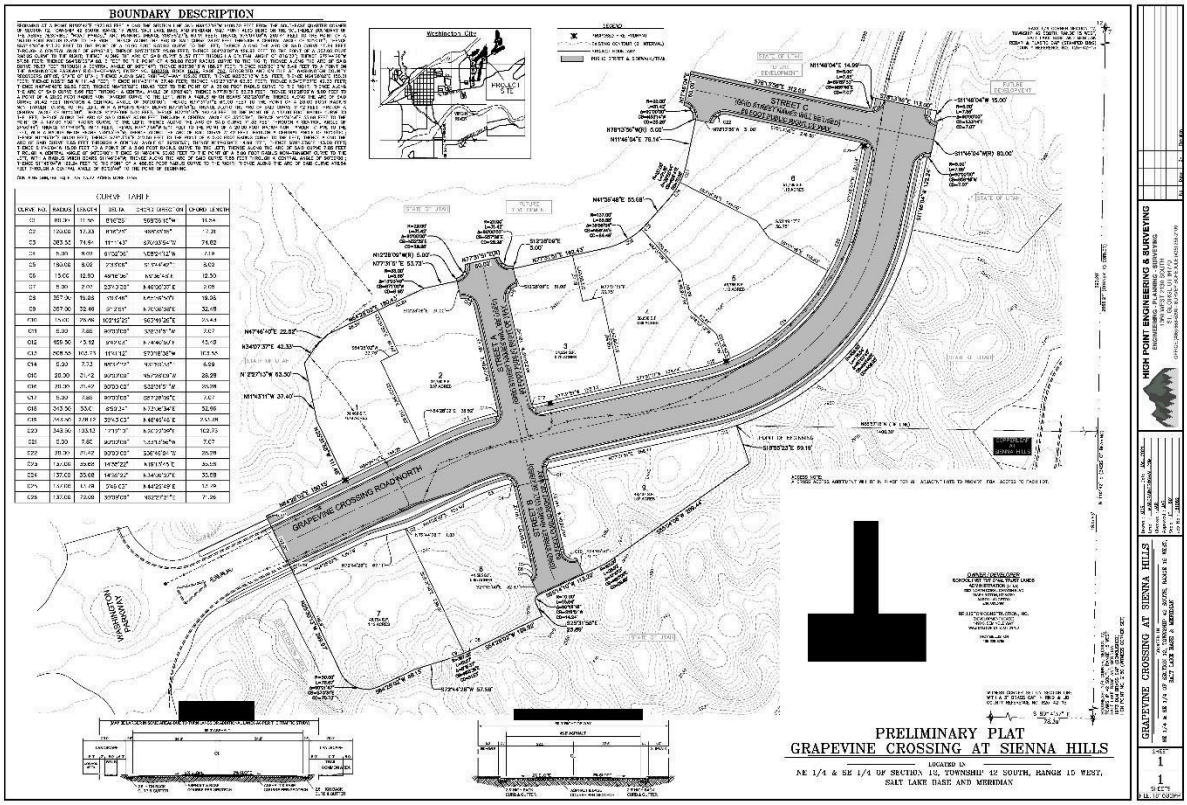


Exhibit D

Letter of Support from Washington City

Washington City
Where Dixie Begins

March 2, 2017

Deputy Assistant Director Kyle Pasley
School Institutional Trust Land, Southwestern Area
2303 N. Coral Canyon Blvd., Suite 100-A
Washington, Utah 84780

Dear Mr. Pasley,

Recently the Washington City Council was presented a development concept by Belliston Development Group for the lands adjacent to Washington Parkway, in Washington Utah. This presentation consisted of a design and development concept that would not only significantly improve the currently undeveloped land in this area but would be a showcase project that would be a draw for the whole region.

The project proposed by the Belliston Development Group included a theme-designed development that would showcase the natural beauty and adventure of our part of the state. This development project would include interactive displays, discovery activities, and visual features, all combined with world-class shopping, dining and entertainment. The Council was not only impressed with the thought and planning that went into this presentation but also with the background and experience of the partners that would be participating. In order to support such a project the Council has entertained the development of a Community Reinvestment Area for this proposal. This project, combined with the access and visibility of the Interstate 15 corridor, the availability of high tourism traffic, and the beauty of our surroundings and we believe you have an opportunity for a magnificent development that would be recognized as a premier attraction throughout the state.

The Council asked that I send you a letter of support and a request that School Institutional Trust Land make all efforts possible to work with Belliston Construction and partners in supporting this project. We believe that such efforts will be beneficial to SITLA, Washington City, and the whole region, here in Southern Utah. Your efforts are greatly appreciated.

If I can be of any assistance at all in this process please don't hesitate to let me know.

Sincerely,

Kenneth Neilson
Mayor

Cc:
Dave Ure
Roger Mitchell

111 North 100 East • Washington City • Utah • 84780 Ph: (435) 656-6300 Fax: (435) 656-6370 washingtoncity.org

Mayor: Kenneth F. Neilson **City Manager**: Roger Carter
Council Members: Troy G. Belliston • Kolene F. Granger • Garth E. Nisson • Thad D. Seegmiller • Jeff Turek

Action Item 10D

Capital Budget Request for County Level Asset Management Planning Services

TRUST LANDS ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS ADMINISTRATION
SUPPORTING SCHOOLS AND INSTITUTIONS

Board of Trustees Memorandum

Date: October 22, 2026

From: Troy Herold, PLA
Planning Director (Strategic Initiatives)

RE: Capital Budget Request for County Level Asset Management Planning Services

Summary

Over the past year, the Agency has placed a heightened emphasis on strategic planning to maximize the potential of our land portfolio, capitalize on emerging opportunities, and transition toward a more proactive land management approach. Thoughtful, forward-looking planning will yield long-term benefits for the land while establishing a strong foundation for future growth and opportunity. To support these strategic objectives, and pursuant to existing Board policy, approval is requested to utilize funds from the Agency's existing capital budget account to engage a consultant to assist in developing comprehensive, county-wide trust lands asset management plans.

Board Policy 2013-03, regarding Capital Expenditures requires that Capital Expenditures exceeding $100,000 that have not been specifically approved during the yearly budget process be approved by the full Board of Trustees. (Exhibit A). The planning team is requesting an expenditure of up to $300,000 for FY 2027, and additional expenditures of $500,000 for FY2028 & $300,000 for FY2029 to support these planning efforts. Please note that **this is not a request for new funding**; the funds are already allocated within the Agency's capital account for the current budget and would come from this same account in future years. However, because Board Policy 2013-03 requires formal Board approval for expenditures from the capital account exceeding $100,000, we are seeking authorization to use these existing resources for this planning effort.

Additionally, finding 3.3 of the 2024 Audit of the Trust Lands Administration listed a recommendation that the Trust Lands Administration *"update the asset management plans for*

its 58 large land blocks on a regular basis." Plans for the large land blocks were last updated between 2006 – 2013 due to the retirement of TLA's Land Planner. While these plans will also satisfy this audit requirement, that is an added benefit to these planning efforts rather than their primary purpose.

Additional funding may be required to complete the process in future years; however, staff will have time and working knowledge of the process to budget for these services during the Board's normal budgeting process.

Key Information and Background

In the Fall of 2025, the Agency reorganized certain roles and responsibilities to allow for a greater focus on Strategic Initiatives and Land Planning. The newly formed land planning team (along with internal working groups) have determined that the best approach to updating the large land block plans would be on a county-by-county basis (including all Trust Assets within each county) vs separate individual blocks.

This approach allows TLA's Asset Management Planning to align with the State and County Resource Management Plans. It will allow TLA to take an active role in how County Land Managers and Stakeholders work with TLA Assets and help guide land management decisions that can affect TLA Assets. Preliminary conversations with State & County Level stakeholders have all been very positive about this approach.

To facilitate this work, TLA Staff sought out consultant recommendations that might be able to fit this unique role and would have experience preparing these types of plans. Three different firms were mentioned that staff researched and interviewed.

After initial review, staff quickly narrowed down the list to two and met with each potential consultant 4 additional times over the last 4 months to discuss their proposed approach and what the scope of work should be. While both consultants bring strong teams and experience, they do have differing approaches. Consultant A would bring a more technical approach while Consultant B is proposing a much more stakeholder driven approach with a defined engagement and outreach strategy.

Both approaches merit consideration, however, TLA Staff feel that Consultant B's approach to be a better match for our internal technical staff and expertise. We are therefore recommending their proposed scope of work and approach and are requesting Board Approval to use a portion of the Capital Budget for this work.

Committee Discussion

The Planning Committee asked clarifying questions about any RFP or procurement processes required; the committee also had a discussion on the value that long range planning would

bring to the land assets and if we are able to quantify what a return on investment in long range planning would be.

Procurement: Agency rule *R850-11 Procurement* covers the requirements necessary for staff to engage in most professional services that may be necessary or required by the agency. Depending on the type and anticipated size of the contract there are several ways that allow staff the flexibility to select providers for those services that best meet the need and can ensure fair rates and fees for those services; including small contract services that can be requested from pre-approved vendors, solicitation of various bids for medium sized projects, by issuing an RFP on larger more extensive projects. Additionally, for very specialized work, Rule 850-11-500 allows for Sole Source Procurement.

> **R850-11-500. Sole Source Procurements.**
> Where the agency has identified a provider that has special familiarity or qualifications with respect to a project, or that has previously worked on a related project, the agency may hire the provider without soliciting bids from other providers if the director finds in writing that hiring the particular provider is in the best interests of the trust beneficiaries, and that the provider's fee is reasonable.

As noted in the summary of actions undertaken by staff over the last several months Deputy Director Pasley and I met with potential consultants' numerous times to frame the scope of work that would be required as well as what the anticipated budget for these services would need to be. The selected consultants not only bring specific knowledge and qualifications to this work that meets the Sole Source Procurement Rules; their anticipated budget to complete this work is in line with other consultants that were being considered by staff.

Potential Return on Investment for Planning Activities

Eric Baim (TLA - Sr. Financial Analyst), pulled data from numerous projects and prepared a memo outlining those results and details that have been shared with the Planning Committee. A few excerpts follow:

- *Expenditures for planning and engineering (collectively referred to as planning) represent approximately 19% of total PDG capital expenses. Many projects have generated substantial revenue following these investments, but the accounting data cannot isolate the revenue directly attributable to planning and engineering.*

- *The South Block illustrates this relationship: approximately $8.3 million in planning was included within $35.3 million of total project expenses, while the project has generated approximately $175 million in revenue to date. These figures demonstrate the scale of the overall investment and revenue, but do not establish how much revenue would have occurred without the planning work.*

- *St. John's Block provides a more direct example of the contribution of planning. Based on the offer received and the purchaser's appraisal of the property, an easement would likely have generated less than $100,000 without the planning, engineering, and related work undertaken. Instead, the project generated $2.5 million in revenue, with approximately $510K in project capital expenses including $323K in legal and professional services, $76K in appraisals and $97K in planning. Although planning's contribution cannot be completely separated from the other expenses, its work directly informed the appraisal and legal position. This example therefore provides a clear link between project investment and increased transaction value. (This revenue was from a Rocky Mtn Power Easement vs a Development Transaction)*

Requested Action

The Agency requests that the Board approve the use of $300,000 for Planning & Stakeholder Engagement Services for County Level Asset Management Planning Services in FY 2027; $500,000 in FY 2028, and $300,000 in FY 2029.

Exhibit A

The Board of Trustees

of the

School and Institutional Trust Lands Administration

New Policy

Policy Statement No. 2013-03 *Subject: Capital Expenditures*

The Board of Trustees of the School and Institutional Trust Lands Administration (the "Board") met in open, public session on 21 November, 2013, and by majority vote declares the following to be an official policy of the Board concerning the approval of capital expenditures.

- From time to time, SITLA becomes involved in projects that require it to make capital contributions.
- Capital contributions totaling less than $100,000 for any given project do not require pre-approval by the Board. Expenditures totaling less than $100,000 on a project-by-project basis will be left to the best judgment of the Director.
- Capital contributions exceeding $100,000 for any given project require approval by a majority vote of the Board. Supplemental capital contributions not initially approved by a majority vote of the Board will require an additional approval.
- Capital expenditures specifically approved during the budget-review process will be deemed to have been approved for the purposes of this policy.
- Requests for approval of capital contributions must detail the amount of the request and provide an explanation for how the funds will be used.
- Board review and approval of capital expenditures will normally occur during a regularly-scheduled Board meeting, but, in exigent circumstances, under the direction of the Chair of the Board and with formal notification to the impacted beneficiary at the time the Board is notified of the request, approval may be given using electronic means.
- The Director shall provide an accounting of all capital contributions on any project(s) upon request.

BY THE BOARD:



Steven B. Ostler, Chairman

Action Item 10E

Closed Session

TRUST LANDS
ADMINISTRATION
SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

TRUST LANDS
ADMINISTRATION

SUPPORTING UTAH SCHOOLS AND INSTITUTIONS

End of Board Meeting Materials