

10.22.2026 TLA Board Meeting Recording -2

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SUMMARY KEYWORDS

Forest management, Timber sales, Fire rehab, Fire mitigation, Range management, Range staff, Weed control, Seed mix, Soil evaluation, Salvage logging, Land exchanges, Land revenue, Mineral leasing, Solar leasing, Strategic planning

SPEAKERS

Kelly Williams, Liz Mumford, Mike Nelson, Troy Herold, John Baza, Brian Tarbet, Spencer Moffat, Dan Simons, Chris Fausett, Jessie Stewart, Aaron Langston, Jim Davis, Mike Johnson, Stephanie Barber-Renteria, Kyle Pasley, Michelle McConkie

M Michelle McConkie 00:00

Pointing out that this this Boy Scout camp that we're that Jim's talking about, the board members who were here a couple of years ago, that was one of the places we visited.

J Jim Davis 00:11

I'll zoom in on that section, and and yeah, many of you will recognize this spot. It's a beautiful property, and this this meadow really is just just gorgeous, and the if I recall, like the ropes course, which is kind of a interesting feature, is down over here. The ropes course survived. I think this is a photo of the ropes course, but you can see how close the fire got to it. I was a doozy. I want to talk a little bit about the work that our forester and our range managers do, and and this is a great spot to talk about it. Let me zoom out and show you another spot here. Between 2020 and 2024, our forester Adam Adam Robinson was working on a timber project. This is the parcel formerly leased to the Boy Scouts. That project that Adam was working on was thinning conifer trees and heavily cutting the aspen stands to encourage root suckering. These these these management efforts improved the overall health and resilience of the forest while increasing the appeal of these lands for potential future sale. And you can see the areas that Adam worked in, like this area compared to this area, and just how the forest was thinned out. That was merchantable timber. The trust made money on those on those timber sales, and also they decreased the the intensity and the odds of a fire coming through and wiping out some of these some of these areas. This work drew real benefits to the trust and also to neighbors. There are structures that survived this fire because of the work that that Adam and those contractors did up there. I want to talk a little bit more about the work that our range managers do now. Range managers get on the property as soon as they can after a fire. They are walking the ground. They're evaluating the soil. They are creating seed mix recipes that can be flown on after the fire. They're here with other land management agencies. It's very collaborative atmosphere in post-fire reclamation, which is which is a good thing. They're they're complex, they're complicated, and it's good to draw on the experience of everybody who's got it. I was I was asking Scott Chamberlain about this, and his his estimate is that over the last 20 years, our rangeland staff have rehabbed about 100,000 acres worth of trust land, which is a significant amount of acreage and some testament to the to the work that they that they do. The the tasks after a fire are are first to evaluate the thing, and one of the first things that we actually do in rehabbing after a fire is to do weed control. You can see that there's some growth already starting to come up underneath this fire area. This was maybe two weeks, three weeks after this fire came through. So they'll they'll spray a pre-emergent that'll stop the cheatgrass seeds from coming up, but won't affect anything that's already in the ground and gives the new seed that will come a chance. That's the second thing that comes is aircraft will fly over and drop seed on these areas with a custom written seed mix area for area by our range staff, and then the next step is to get mechanical equipment in there to track in that seed. They'll usually have two dozers or tractors set up with an anchor chain set between them, and they'll walk up the mountain, and that stirs up the topsoil, gives the seed a chance to work into the into the dirt. It also breaks up that there's a hydrophobic crust that can form after a fire. The waxes and that are in the needles of the trees kind of settle into the top inch or two of the soil, and when the rain comes, it just sheets off, and so that mechanical action breaks up the the topsoil and gives the water better chance to infiltrate and the seed to have have their chance. Feel like I should click through some more fire, some more photos. That one,

D Dan Simons 05:03

Jim. Can I ask a question?

 Jim Davis 05:04
Yeah, please.

 Dan Simons 05:05
We were talking about the hillside and taking the dozers and the chains up on areas where there's still a lot of standing trees. How do you take care of those areas?

 Jim Davis 05:13
Perfect lead-in. Thank you. Yeah, in

 Dan Simons 05:17
notes. In

J**Jim Davis 05:18**

no, you're you're right on the vibe. In forested areas, the the first priority is to salvage what merchantable timber there is. Trees that have been burned but are still standing, many of those can be harvested. And so Adam is working feverishly to get contractors in there to harvest that merchantable timber. You can imagine that that stuff's not going to last very long. It's got a season or two before the quality is just is just gone, and it and it really is just a waste product. Adam works hard and Adam works fast to get people in there to recover what timber they they they can in those areas. Once the merchantable timber is removed, whatever organics remain on the hillside are masticated. They have machines that just chew up timber and and the the basically the wood chips that that it churns out act as a it holds in moisture. It's good organics getting into the soil, starting to rebuild the the O horizon of those soils. I want to talk just a little bit more about that salvage effort. You know, salvage logging plays a key role in mitigating fires and operating that tracked machinery. Just getting equipment in and out to get all those trees also stirs up that that top layer breaks up that hydrophobic soil and and it's helpful in a couple of ways right removing the removing the merchantable timber and also preparing the soil I want to talk I need to I need to wrap it up but I need to brag about our staff really quick. Adam Robinson, our forester, is known throughout the state and out outside of the state. When foresters from other agencies get stumped, they they call Adam. He's got a ton of experience and and a good reputation in the industry and the and the and the trust is is benefited by his experience. And on the range side of things, Scott Chamberlain, Ethan Hallows, and Slate Stewart and Tyler Hamilton have decades of on the ground experience. They they know their grazers. Their grazers know them. Other range managers across DWR and the BLM and the Forest Service know know our guys, and they they're well respected. And when a catastrophe like a fire comes, it's it's it's good to have already established your reputation. And and these guys have a good reputation, and that that definitely accrues to Sitla's benefit, especially when when stuff gets hard. We also have a great archeological staff: Joel Boomgarten and Lindsay Fenner and Christine Curry and Lisa Beck get out on the ground fast to do the art clearances before that mechanical equipment can get in to do timber harvesting and some of these other rehab efforts. And we're we're grateful for their hard and quick work when because time is of the essence, right? We got to get the seed on the ground before the snow comes. Snow helps anchor; it adds moisture. Those are all good things, but it is definitely a time-intensive, time-sensitive thing. Fall is a very busy time for our forester and our range managers. That's what I have for you. I'm happy to answer any questions. It was a doozy of a fire year, but we did all right,

B**Brian Tarbet 09:02**

mr. Chairman, I have a question. Jim, I know you've answered this question before, but talk about firefighting cost apportionment and rehabilitation apportionment, and what we what we owe, if anything. Would you address that, please?

J Jim Davis 09:16

Yeah, yeah. The responsibility for fighting fires in the state is with the forestry, fire, and state lands, and the federal land management partners. FFSL does the work; they bear the costs when it comes to after fire rehab. This that's a good question. I appreciate you bringing this up because those costs do come to the landowner. There are also funding pots, grants, the watershed restoration initiative, which is funded through money from the legislature and sportsmen's groups, and a couple other. Places, and that's some. Those are things that Adam and our range managers are very well aware of. They're attuned to the opportunities to tap to leverage some of that financial support, and they employ it in the rehab work that we do. They do a good job of making use of that stuff and minimizing how much we have to dip into the pot of money that would otherwise go into the permanent fund.

B Brian Tarbet 10:30

Oftentimes, we're surrounded by federal land. Feds prove to be good partners in this process.

J Jim Davis 10:36

Yeah, they do. As you will hear, sometimes people who are working on a fire response complaints about some of the bureaucracy, and sometimes it's hard to get decisions made at a federal level. But the guys on the ground, the people who are doing the work and evaluating things, do a really good job. That was kind of an impolitic response, but the fact is that some of those federal agencies have more layers, and because of their remoteness, the decision making sometimes takes a long time. And every now and again, the state, various state agencies, will have to make decisions and step out ahead of some of the work that the feds can do, but they catch up as best they can. Anything else? Thank you. Appreciate being with you.

M Mike Nelson 11:47

Our next speaker is Chris Fausett. Yes, talk to us about recently acquired Exchange Lands.

C

Chris Fausett 11:59

Yeah, I'm actually kind of excited to do this. I think I bit off more than I thought I did when I volunteered to do a presentation on this because it's something that's kind of interested me. Like we've recently completed two major federal land exchanges in the last five years. So that was the Utah Test and Training Range Exchange and then the Dingle Act Land Exchange, and I, you know, I see various things going through the board and approvals and sales and stuff we've done, and I thought it'd be cool to go back and look and just see what have we done with that land. And it actually took quite a bit of work to compile it all, but I'm excited to present that to you today. Before I jump into that. I just want to kind of rewind a little bit and talk about exchanges in general, since we've got a couple of new board members that probably haven't heard this before. And if you have, then sorry. But you know, we've had a pretty robust exchange program over the last 30 years with TrustLands. We've completed five major land exchanges and worked on some others that haven't crossed the finish line. But why are those exchanges beneficial to us? They allow us to trade out of non-productive or sensitive lands, like you know lands within national monuments or wilderness areas, wilderness study areas, places where it's hard for us to make money off of the land, and then there's just some land that just doesn't have very good revenue production potential that is better off in public hands, and so we can use these exchange opportunities to trade out of those and then acquire lands with better revenue generating potential, stuff with known mineral deposits, renewable energy areas, residential, industrial development areas, or even lands that we know we could just flip and sell and put the money into the permanent fund. It also allows us to acquire lands that aren't normally available under like typical administrative processes from the BLM, we can pick up lands that haven't been designated for disposal by the BLM or that have been withdrawn for various purposes, and we can also do mineral estate conveyances when we're working on exchanges with the federal government. Also allows us to implement creative deal structures. We can, you know, go after lands that have unpatented mining claims on them, and we have some things in our statute and rules that allow us to convert those to mineral leases. We can do things like acquiring right-of-way corridors, or even negotiate potential deals kind of upfront with companies, and then we go acquire those lands that they need for their projects, and then follow up on the back end. Our land exchanges also help local communities. Here's a list of you know a few of the projects I picked out from some of our exchanges over the years that have had pretty major impacts in the local communities. With different mine developments, the Aces Delta project, which has been huge, Wasatch Regional Landfill, some of the coal mines, coal bed methane fields, things like that. Like these, these are great for the trust, but they're also big economic drivers in those towns and counties. So we've got basically two options when we're doing a federal land exchange. We can do what's called an administrative exchange, and I'll talk about what these are in a second, or a legislated exchange. And so an administrative exchange is where we would just follow the normal FLIPMA process. FLIPMA is the Federal Land Policy Management Act. So there's the handbook and the CFRs that tell us how we can do those. Some of the issues we've had with trying to do those in the past is that they're discretionary actions by the local BLM field office, and so there's no defined timelines with them. It all depends on the BLM's priorities, their budget, how much staff time they have to work on it, and so we've had some of these efforts in the past that you know you work on them for years, they get almost to the finish line, and then the field office manager says, "Don't have time to do this anymore. Don't want to work on anymore," and then they, you know, all that effort's kind of wasted.

C

Chris Fausett 16:21

These exchanges, they also they have to comply with the local plans, the land use BLM land use plans, and they have to be found to be in the public interest. So we've kind of moved away from doing administrative exchanges for the most part in favor of doing legislated exchanges, and these these aren't easy either. I mean, they require a literal act of Congress, where we have to get agreement from our state legislature, from the governor, from both houses of Congress, and signed by the president. So it's a pretty monumental task to get these done. But the advantages of them is that Congress can then mandate that the exchange happens through federal law. They can establish timelines. They can streamline certain processes. Give us more flexibility on exchange terms. We don't have to comply with the land use plans. We have more flexibility in the lands we can select for acquisition, and they can set timelines and and mandate that it happens. So that's where we've had the most success, particularly with these really large exchanges. So the two I'll talk about today are two most recent ones. There was the Utah Test and Training Range Exchange that we completed in 2021. Let's see. How do I turn on my pointer here? So in this exchange, it was in the National Defense Authorization Act in 2017 that there was some some language to basically expand the Utah test and training range that's in the West Desert in Tuolumne County to include some areas, kind of on the borders and in between the two here, that could be used as with some of the activities along with the with the range, essentially a bombing range for the Air Force, and we have a lot of scattered sections in those lands, and our development of those lands and bombing ranges aren't super compatible, and so we were able to, as part of that bill, have a land exchange passed as part of that, where we were able to trade out of those lands and acquire other lands, mostly throughout the West Desert in Utah. You can see the acreage numbers here. We traded. about 84,000 acres of our land for about 90,000 acres of BLM land. These are equal value exchanges, so oftentimes the acreages don't match up perfectly. But we do have to have the the values equalized, and so in total, this exchange was just about \$60 million worth of land. This is kind of a key point here, though: is the those 90, well, 84,000 acres that we traded out of? We were only making \$37,500 a year on all of that land. And if you look at where it is, I mean, you can kind of see why it was mostly rangeland. Most of our revenues was coming from livestock grazing, and there's not a lot of grass on that land. So that was the UTTR exchange, and then the other one I'll talk about is the John Dingell Act exchange. Yeah,

B

Brian Tarbet 19:40

let me comment from my other life. Yeah, on the defense alliance, this was critical. The Utah Test and Training Range is a crown jewel for the military. It's not just the Air Force military helicopters testing incoming missiles that come in there and land. This is a vital thing for Hill Air Force Base and for the military establishment here. So, I applaud your work here to do this, and obviously the numbers speak for themselves.



Chris Fausett 20:11

Yeah, and this was Senator Hatch. I think was the one that was really strongly behind getting this to happen. So the the John Dingell Exchange. This was enacted in 2019. There was actually at least a decades worth of work in advance of that. This started out as the Emory County Land Bill, where the Emory County Commission and local citizens worked to try to solve some of the questions around land use in Emory County, particularly in the Santa Fe swell, they wanted to establish some certainty there as far as what wilderness areas were going to be, what recreation areas were going to be, and so they came up with the Emory County land bill that eventually got morphed into the John Dingell Act, which was a big omnibus bill that that passed in 2019. And so that bill created these new wilderness areas and recreation areas down in the Santa Fe Swell area, and also provided for us to be able to trade out of those areas, again, they're areas that we haven't made much money on in the past. Pretty remote, difficult to access, just not a lot of revenue generating potential there. And then pick up lands all across the state that that have better potential for us. So pretty similar on this one. We were making about \$40,000 a year off of these 116,000 acres that we traded out of, and we traded into just under 90,000 acres, and this was a much bigger exchange, about \$140 million in value in total. So, what have we done with that land that we picked up? There were some of these sections that we acquired basically for the purpose of selling them. A couple of these we had worked out deals in advance. This one in the Cricket Mountains with Greymont Western, and also the Jordan L. West one that was in Wasatch County, where we had agreements in place that had been approved by the board in advance. That if we were to acquire these lands, they would be sold to these parties. And so we completed those transactions relatively quickly after the exchanges were finalized. And some of these others, you know, we had that in mind as well when we picked them up, and so in total, from just land exchanges alone, from lands we picked up in this exchange, these two, we've made about \$22.6 million, and even just looking at the interest that we're or the investment income we're making off of those in the permanent fund, it's about 1.6 million a year, which is a little bit better than the 80,000 we were making before, so that's been a big immediate return off of these. And then let's look at the mineral leasing side. So a lot of the lands that we picked up in both of these exchanges, we picked them up because of their minerals potential. I love this picture here of Tyler Wiseman. It's our geoscientist in action, doing what he does best: looking at rocks in the West Desert. This is on the on the Drum Mountains piece that we picked up. So some of the challenges that we have with with these lands that we pick up, particularly for like metalliferous minerals, is that there's unpatented mining claims in place on almost all of them. One of the benefits of that is that you know when we acquire the lands with those encumbrances, there the mineral value is essentially zero in the exchange because these are valid existing rights that the holder of those can come in and mine those without a royalty, and so you might think, well, why in the world would we want to pick those up? Well, often we're able to incentivize the the people that hold those to convert those into a mineral lease, and that gives them more stability. They don't have to pay the claim fees every year. You know, if you forget to just pay one of those, you lose it. And so, a lot of these companies will work with us on either converting that to a mineral lease or through an OBA or something like that. And there's been several of those come before the board, and I've listed out some of those here that we've done with lands from this exchange, and we've been able to have companies relinquish hundreds of mining claims so far and convert those into leases.

C Chris Fausett 24:49

Hopefully, eventually those will pay off with royalties. But right now, at least we're making you know minimum rentals on those. The other. Ways that we can do that is we can put these on our mineral auction. We can do OBAs that come before the board. You see those almost every month. These are some of the OBA agreements that we've done on lands that we picked up in the Drum Mountains on our Southwest Tintic Block in Juab County, Spore Mountain, Pine Grove. These are all for metal arises minerals. We have a mineral lease auction that's active right now. That we've got four of these tracts on, all in Tuolumne County, that have been nominated by people who are interested. So we're anticipating that those will be leased. So far, we've made a little bit of bonus bid revenue, some annual rentals, but where the real key is going to be is if these go into future production and we start making some production royalties off of them. Oil and gas leasing, we we haven't picked up a lot of oil and gas lands in these exchanges. We really only had one parcel, and that was out in Uinta County by La Pointe, we put that on the mineral lease auction in June, and they were all leased about 2500 acres. Those haven't gone into production at this point, but we did get a decent bonus bid for those. And then on the coal side, we've acquired two coal tracks in these exchanges, one of them was the Lila Canyon mine, which unfortunately caught fire as as we were completing the exchange, and so that's currently unleased. But it's a good resource; the trust is forever, and we've acquired that coal resource and have it in our portfolio. The other one is the Walker Flat tract, which is in southern Emery County and into Sevier County. The board approved an OBA to Bronco, Utah operations back in 2025 on this. That was recently assigned over to Wolverine Fuels, and that mine is in operation. We anticipate kind of full-scale production of this tract next year. We did just get our first royalty check as they're going in and starting to clear out some of the mains on our tract. We got our first royalty payment on that just last month, so we're really excited about this this lease. That's got a lot of potential for revenue,

D Dan Simons 27:21
mr. Chair. Question:

C Chris Fausett 27:22
Yeah,

D Dan Simons 27:23
where is that coal going? Where is it being sold, or how are they producing income off of that?



Chris Fausett 27:30

Is Andy in here? Is it mostly? I mean, a lot of it is local to the local power plants, I think, but I think it also goes kind of on markets throughout the the West. Is that right?



Brian Tarbet 27:43

Yeah, no, you're correct, Chris. It's it's mostly going to local power production.



Chris Fausett 27:47

Okay, for those who couldn't hear, Andy says, "Yeah, it's mostly going to local power production to the Huntington and Hunter power plants."



Dan Simons 27:54

Okay, thank you. Just with the decreased demand for coal, I wondered



Chris Fausett 28:01

On the geothermal side, we we did pick up some tracks that have been of interest to geothermal leasing, and we've had these OBAs come before the board in the last few years on the Drum Mountains in Juab County, Wawa Valley in Beaver, and the Escalade Desert track down in Beaver, and we're excited for that potential, and looking to see what happens on these. These are all pretty new agreements; they're just in the exploration phase still, but we'll see what happens there. Solar leasing: we've we've acquired a few tracts that we picked up because we knew there was interest in leasing for solar. Our IPP North parcel that kind of tacks some land onto our IPP block has been leased by EDF Renewables and by Notch Peak Solar. These projects are both well on their way to development. The Notch Peak Solar project, Rachel tells me groundbreaking is imminent on that, probably within the next month or so, and they're targeting having that project online in May of next year. And then the EDF renewables project is not too far behind. We're looking at potential production starting on that in 2029, and so we'll start seeing you know good revenue coming in from those within the next couple of years, and then the Milford North tract we have a lease application that's under review there that's in Beaver County. As far as surface leasing, we picked up some lands in the lakeside area, kind of north of the test and training range that Compass Minerals was interested in for part of their future expansion activities, they would use these for solar evaporation ponds. We incorporated those lands into an existing lease that they had. Those are bringing in about \$160,000 a year. We had a power substation, power terminal lease on that IPP North to help with that solar stuff. That's bringing in about \$76,000 a year. And then Jolette actually talked about this lease on our South Spanish Valley property that the the mountain bike parking lot area that was on one of these exchange parcels. The ultimate target for most of this land is future residential development in Spanish Valley. But it's kind of fun just to see a little piece of that get get used for something already, and we're making a little bit of money off of that. But that was really important to the local community to help bring in these competitive events and races and tourism and stuff. So it was good to partner with them on that. As far as on the real estate development side, we picked up a piece on North Lake Mountain. The board looked at this not I think yeah back in May where we're finalizing an agreement for the Brixton Park development. There, we're looking at a couple of million dollars in revenue coming to us from that, and then over by the Tuolumne Army Depot in Tuolumne, we picked up some land over there. That then our development group subsequently did a land exchange, another land exchange on with the Grantsville Soil Conservation District to pick up some better land in Grantsville City, and about 800 acres that has improved our land position even better there, and we're holding on to that for future opportunities. And then, lastly, I'll just touch on you know we've got some pieces that we're doing some active planning on a piece in Wasatch County that we've negotiated a reciprocal access agreement on and planning that for future development, along with the piece in the picture here. This is the Pine Canyon Road parcel in Tuolumne County that's got some residential development, and then you may have heard about the the state of Utah's interest in hosting a nuclear lifecycle innovation campus in Tuolumne County. We've been in discussions with the Office of Energy Development about that. There's trust lands that we picked up in these exchanges in Tuolumne County that would be well suited for something like that.

C Chris Fausett 32:14

We're kind of in the early stages of that, but so kind of in summary, where we were, we had 200,000 acres of unproductive lands making about \$80,000 a year, and where we are now, we've got we've replaced that with an equal value of 180,000 acres of land, 22.5 million dollars in land sales, almost \$400,000 in bonus bids so far, ongoing revenue from rental payments, potential production royalties coming, hundreds of unpatented mining claims resolved, and then lots of exploration and lease agreements have been issued and kind of planning underway for the future. And I thought this was interesting, so we acquired about 44 tracts in those exchanges, and we've done something so far with 31 of those, and so we've been working pretty fast and furious on these and getting input to work. So I think that's all I have. Any questions? Be happy to answer any. Yeah,

M Mike Nelson 33:19

to get approval from the regional BLM office,

C Chris Fausett 33:25

say no comment. No

B Brian Tarbet 33:26

comment.

C Chris Fausett 33:28

We we we work really great with the BLM. To be honest, like their their local managers are great to work with. They've got a lot of regulations and bureaucracy that they have to deal with that makes their jobs very challenging. That I'm thankful that we don't have the

M

Mike Nelson 33:45

other comments. Maybe more serious. I talk to a lot of people in the mining business, and it's one area or one business area that's really growing. And Utah is known as a place to come and look for critical minerals, for precious metals, and other things, mainly because it was so thoroughly explored in the past. And you know, I have a saying in mining: the old timers got all the good ore. So the object is to find the ore that's good now, and the trust and that staff have been really effective in doing that. And I probably talk once a month to somebody who's looking at a prospect in Utah. And quite often, it's on these lands that have been these areas that have been put together with land exchanges, and where the you know the old time mining claims. You know, one guy owns four over here, and they're all spread out, and people hold on to those. But to just be able to go into a big tract of land, like some of the ones you showed, we have major mining companies looking at those. So, I'd say congratulations on those efforts. Yeah, thanks. Beneficial.

C

Chris Fausett 35:00

Now that's a good point. You know, a lot of those areas that we target are historic mining districts. That you know, there's still a lot of stuff there that the new technologies are just getting better and better at recovering. Even looking into old, you know, tailings piles and finding the stuff that got left behind and extracting that. And critical minerals is a huge part of this. A lot of these metalliferous minerals leases. That is exactly what they're targeting. So, any other

M

Mike Nelson 35:29

questions?

M

Mike Johnson 35:30

Maybe just one other note about why we go the congressional route. The inventory of lands that the local BLM would be able to exchange with us through the normal administrative processes available to them is really really limited, and isn't enough to trade on the kind of scale that we do. So there's some other reasons that we kind of have to do the congressional route.

M

Mike Nelson 35:54

Okay, thank you, mr.

K

Kelly Williams 35:55

Chair. May ask a question to follow up on maybe Mike's point. I'm curious if those most recent exchanges were initiated by the TrustLands administration. Is that how most of the exchanges proceed, or is it something that TrustLands is looking at and wants to initiate, or are they brought to you by the other agencies?

C

Chris Fausett 36:18

It's kind of a mixed bag. Often there's like a triggering event or designation, like with the UTTR exchange, it was the expansion of the the range that gave us an opportunity to piggyback on that legislation. With the Emory County Exchange, you know, we were involved in those conversations early on as they were putting together the Emory County land bill. That you know, if we're if we're going to have new wilderness designations here, we don't want to be in those because that kind of renders our lands pretty unproductive. And so we we try to stay attuned to those efforts. You know, if there's a new monument designation that's coming about, we we try to get in front of that and try to exchange out of those, but we've done others too, where you know we've initiated it and and feel like you know this is just a good place for us to get out of, and we'll try to work on a bill to get it to happen.

K

Kelly Williams 37:13

Thanks.

C

Chris Fausett 37:14

Yeah.

M

Mike Nelson 37:19

Right. Thank you. Our next item is the report of the advocates from Liz Mumford, the director of the School and Institutional Trust Beneficiaries Advocacy Office, and I said that all in one breath.

L

Liz Mumford 37:35

It's great to be here with you this morning from the advocacy office. Thanks for a few minutes of your time, trustees. We appreciate it. First of all, all, I just wanted to say thank you. We've had some really collaborative, great work with the administration in the last month, and I express appreciation. Yesterday, we had a great turnout at the legislative breakfast. It's one of our first touch points with legislators ahead of the session, and we had over 60 legislators and beneficiary representatives attend and interact with members from the Sitfo leadership team and from the TrustLands leadership team, and that was a great opportunity. We appreciate that. We've also been working with one of the beneficiaries that's a little bit of an outlier among the 12 beneficiaries, and that's the Public Buildings Trust. And they have one of the smallest portfolios. They don't receive an annual distribution, and we've been working with legislators and with the TrustLands Administration to consider a dissolution of that trust, where their remaining assets could be reassigned to another beneficiary, and come up with a process to do that. So we appreciate that ongoing effort, and that will probably be something that's more in front of you at some point as trustees. I've also appreciated input on our administrative rule that's up for consideration right now, and there's just a couple weeks remaining on that. And we've talked with Mike Johnson and others in the administration about that to make sure that it addresses any issues that affect TrustLands. So I'll go ahead and turn time over to Jesse. She's going to share some updates about outreach, and then I have a couple comments about agenda items.

J

Jessie Stewart 39:10

Good morning, Board of Trustees. We're glad to be here with you today. So we have a couple exciting updates for you. The first is we're privileged to share with you that Sitfo has recently calculated the fiscal year 2027 distributions for Utah's TrustLands beneficiaries. This is always my favorite part of the year. I feel like whenever I open that email, it's a little bit like Christmas. These distributions continue to demonstrate how the strong revenues generated by the TrustLands Administration and Citfo's prudent fund management drive trust growth and support the Utah's beneficiaries. The advocacy office we do actively communicate with each of the beneficiary institutions regarding their distributions. Also, in regards to a media update, and hopefully you've seen this coverage in the. News digest that gets sent out every year. We have this past month amplified our efforts to heighten community awareness and impact of the land trust funds and the good work of school community councils. We've actively pursued media coverage through print, digital, and also were invited to a podcast interview. And you've seen that in City Journal, District News, and our favorite one was a key highlight of from Deanie Wimmer on a Sunday edition that she did as an invitation of Trustee Mauer. He asked that we share this with the Board of Trustees today, so we'll go ahead and play that segment. So we're just really grateful for these opportunities through multimedia sources to continue to amplify the good work that's happening because of the School TrustLands Administration and Citfo and the system as a whole, and especially to the school community council. So I'll turn it back to Liz.

B

Brian Tarbet 43:37

I have a quick question. How does your message differ from Jolette's message. You guys coordinate, or

J

Jessie Stewart 43:47

so we try to amplify messaging not just on the school trust lands, but also on the other institutional beneficiaries as well. And we have a project pending on that, so you'll see additional coverage on other institutional beneficiaries. We coordinate mostly with the school land trust office, as they're the ones that oversee the school community councils and distributions to those schools. So that messaging cross crosses over there mostly.

B

Brian Tarbet 44:14

That's a big number for the Utah Miners Hospital. Where is it?

L

Liz Mumford 44:20

That's a great question. We actually spoke with them yesterday. It's a significant amount of money that they receive, and they support minors across the state, but it does exceed their annual operating expenses. So there's provisions in statute that allow them to build up some carryover if they wanted to make a capital investment in some kind of a facility or outreach in a rural area in the state, or they can return it to their permanent fund for future remaining costs.

B

Brian Tarbet 44:47

There is no facility. Then it's a funding mechanism for minors that are patients at other facilities. Yeah,

L

Liz Mumford 44:54

that's a great question, and we could spotlight that another time as a focus on that beneficiary. But it is. Is kind of channeled through U Health, and so they provide direct services to minors that are experiencing health incidents related to their profession. It happens at outreach clinics across the state, and then also at the University of Utah Health System, depending on the severity or the type of issue that they have.

B

Brian Tarbet 45:18

Okay, thank you.

L

Liz Mumford 45:20

Thanks. We appreciate it. Just as a general comment on today's agenda items, as I think about our role in representing beneficiaries and particularly future beneficiaries, as this is a perpetual fund, I appreciate the theme of strategic planning today. I heard that from Director McConkie. I think there was evidence of that in Chris Fausett's presentation, and you'll see that in the capital request that's proposed later today to plan for the large blocks. And we're very supportive of those efforts because that strategic planning is what generates the revenue for school children and beneficiaries today and in the future. I wanted to recognize the two policy things that are on your agenda; those are critical. Although they're not as detailed as the plans that they lead to are, they create a really good gateway for building plans that allow feedback from you as board members, from our advocacy office, and and importantly from the administration, and we feel like when there's good governance and clarity about people's roles through those policies, it helps you in your fiduciary duty, and and it gives an opportunity to plan for the future. So appreciate the conversations I've been able to have with staff about pieces that we think are critical in that risk plan. There's mentions of certain elements that are important on the land side, and we think the permissive language in the policy allows for additional factors to be incorporated, whether that's cybersecurity or reputational risks, and also governance structures and data information as the agency moves forward. So we look forward to seeing those in the plans and appreciate the work that you've each contributed on those policies. Thank you.

M

Mike Nelson 47:09

Maybe I'll take advantage of the chair here and just give a little more information to Mr. Tarbit and other trustees. The beneficiaries of the land trust, as defined in the Enabling Act, included a miner's hospital, and that's because in those days we were routinely killing two to 300 coal miners every year, and that's not comparable to the death rates the military sees. But that was very significant, and so that's I think that's why that hospital was established, and the industry has become a lot safer now. But interestingly, there's a new form of black lung disease that only appears late in life. So those challenges still exist, and I think it would be you know well advised for Utah to look at ways that that funding could be used.

C

Chris Fausett 48:11

Yeah, Mr. Chair,

 John Baza 48:12
I have a question.

 Mike Nelson 48:14
Yes,

 John Baza 48:15
yes, Liz, you mentioned the legislative breakfast that you had. Did you hear anything in terms of either further initiatives that the administration should take, or maybe words of warning of things we should watch out for.

 Liz Mumford 48:30
Yeah, I think it was a it was a more informal conversations type setting, and I think there were good opportunities for members of your team to have those conversations. Generally, I think the legislature is feeling some of the the public scrutiny on different kinds of development across the state that we've we've heard about in public comment and other settings, and and I think they want to be proactive on ways to receive public feedback and and and plan well for communities. So I think that will be a pattern that we see this session is how to deal with those land use authorities and and and those intersect with the strategic development that Sitla does.

 Mike Nelson 49:12
Other questions or comments? Thank you. Thank you. We come now to action items, and the first action item is the proposed board policy on agency risk management plan, the agency risk management plan, and that will be presented by Stephanie Barber-Renteria Deputy Director for Operations.

S

Stephanie Barber-Renteria 49:43

Thank you, mr. Chair. Appreciate the opportunity to be before you this morning. Some of you who've been on the board for several years will recall that during our legislative audit, we received a lot of credit for the. Risk management steps that we take in evaluating our daily operations and the leases we enter into, but the audit did recommend that we formally memorialize all of those steps that we are taking, and so we've been working with a subset, a group of some of you on the board, and the first step that we've we have for you today is our proposed board policy on risk management, and so we'd like to we've circulated a draft to all of you to review, and we've received feedback and incorporated that as Director Mumford mentioned. We've received feedback from them as well, and we will incorporate issues that they've raised as we work forward developing a risk management plan with that risk management working group. But again, our first step is for you all to adopt this proposed board policy on risk management, and you've got the draft in your packets. So, with that, do we have another slide? Okay. Oops. With that. Oh, and I'm happy to answer any questions before we get to the motion.

M

Mike Nelson 51:15

We have any questions?

S

Stephanie Barber-Renteria 51:19

Okay. With that, the agency would ask that the board approve the policy and offers the following proposed motion.

M

Mike Nelson 51:26

All in favor? Oh, we need a motion from a board member. Sorry, do I hear a motion?

B

Brian Tarbet 51:36

I move to approve board policy 2026-03 risk management policy, as presented in the board packet and posted on the public notice website. I'm

M

Mike Nelson 51:49

a second. All in favor? Aye. Aye. Aye. The vote was unanimous.

S

Stephanie Barber-Renteria 52:00

Thank you.

M

Mike Nelson 52:02

We also have a proposed strategic plan policy, which has been generated in a similar manner. Director McConkie will describe that now.

M

Michelle McConkie 52:15

Thank you, Board Chair and Trustees. So, as as was said, similarly with how Stephanie described, some different drafts have been sent of this proposed policy, and have received great feedback from board members and from Director Mumford. We're grateful for that. We've made a few tweaks and some changes in response to that. We really appreciate those who have been involved in that. I'll quickly summarize. We have an existing strategic plan. It does need to be updated, and before we start that planning cycle, and before we and we wanted to have this in place, and also in the future when we do additional strategic planning updates, we wanted to have this in place, and it defines the different roles between the board and the director and the agency, and it makes it clear that the board has the policy direction and that they give the overall direction and and different goals that they want the agency to reach, and then gives the agency the obligation responsibility to execute and put together that plan in conjunction with those policies and overarching goals that have been given by the board. It also allows for multiple places where the board will be involved in giving their input to make sure that we are on the right track, that we are doing the things that they want us to do, and that we are going in the right direction with the plan. Some milestones are laid out. There's an early board survey that would go out to the board, talking about some of the priorities that the agency has and believes that are things we should be working toward, and making sure we're on the same page, and that there's alignment, and that the board also feels like those are the right directions we should go. There will also be areas in the survey for more of a free response. If there are other things that maybe the board members might feel like we're missing or that we should pay attention to, and so we'll have the survey, but also multiple opportunities and for discussion and to have input and to talk through those things to make sure that again we're in alignment and we're all on the same page. We also, as we've done in the past, will make sure that we get input from team members because these are the people who are actually going to be doing much of the work involved in the strategic plan. So we also want to get their feedback, and and we'll be getting that as well. And once the plan is drafted with different input. Then we'll go about executing it, and we and the agency will give at least twice annual. We can of course do more if the board would like reports on where things stand with the KPIs, how we're coming along. If there are major things that have changed that we feel like should be changed, we will. Those to the board as well, and again, this plan is setting up that framework, and then we'll start working toward getting that revised plan in the future while working with the board. So I'm happy to answer any questions.

 Mike Nelson 55:14
Questions, yes,

 Kelly Williams 55:15
mr. Chair, Director McConkie. Yeah, you mentioned that if the board wanted more than two times a year to have updates. Is there a mechanism by which that's initiated, or is that just by request of the board or board members?

 Michelle McConkie 55:32
It would be by request for the board members. The twice a year, we would just plan on putting in the calendar. That is in our. I don't have that in the policy because honestly, it depends a little bit on how long it takes to get the plan, to get all the input, and get that in place. We definitely want to make sure we're doing it right and not hitting, you know, doing it expeditiously, but doing it right. So I don't have those dates. We don't have the date and the plans, but we're happy to. We'll have those dates on the calendars. We can do board presentations on that, as well as other information, and I would say please just let us know if you'd like it more than that. That would be my suggestion.

 Kelly Williams 56:09
Great, and thanks for your work on this. Yeah.

 Mike Nelson 56:12
Any other questions? Yes.

 Dan Simons 56:16
Just a comment. I wanted to thank Director McConkie for her willingness to talk to me about things that I had concerns about

 Michelle McConkie 56:22
and

 Dan Simons 56:22
make some adaptations there. So thank you.

 Michelle McConkie 56:24
Thank you. Well, thank you for your input. I appreciated it. Okay. If there aren't other any other questions, there's also a proposed motion here as well.

 Mike Nelson 56:36
Yeah. Yes. So

 Dan Simons 56:38
I can make a motion to approve the board policy 2026-04 Strategic Plan Policy, as presented in the board packet and posted on the public notice website.

 Mike Nelson 56:48
Thank you. Do I hear a second, mr. Chair? Thank you. All in favor? Aye. Again, the vote is Anonymous. Good. The next item on the agenda is the proposed lease termination of development lease 1238, located in Washington County, Utah, 11 and a half acres, approximately, and that is with Dynasty Development and ZV Sitla Phase One. And that presentation will be given by Aaron Langston.

 Aaron Langston 57:36
Thank you, Chair Nelson.

 Mike Nelson 57:39
Thank you.

A

Aaron Langston 57:40

Thank you, Chair Nelson. It's great to be here with you and members of the the board of trustees. It's a pleasure to be here. This, thank you. I'll probably just hold it up right here, make sure I'm talking correctly here. And I have Kyle behind me, just in case we get into a little bit more of the history of this project. But this this is a very complex project that we have been working on, and in light of where we are today and options that we have moving forward, we have discussed maybe it might be time to move in a different direction with this particular development lease that we have. So that is what we will be going into today. And as I present this, if you have questions, I'm going to try to be looking at you to see if you're following this because this does get a little bit complex. But feel free to stop me at any point so that we can clarify. I want to start with this map here. This is out of the Sienna Hills PCD, which is a zoning document for this particular area, and I've tried to highlight parcels 10, so 10 A, B, C, D, E, and F, just to orient you. This is in Washington City. This is right off the I-15 interchange at Milepost 13. So the north side of this interchange would be Green Springs, and then the south side is Sienna Hills. And then as you come down this kind of that major road going, I probably could get my pointer out and point. So yeah, this this north side here is the Green Springs side. This whole area here is Sienna Hills, and then as you come off Milepost 13 and come down this road here is Washington Parkway, coming down to Telegraph Road. So hopefully that helps orient you. And today specifically, we will be talking about these parcels right up here. Okay, what we're looking at here, we had the developer who approached us really in 2016 and 2017 about a development concept where they would build a lot of amenities and attractions, and then as people would come to take advantage of the amenities, they would also be able to have opportunities to shop. So that's kind of what this and what we're looking at in this slide here is a. This gets a little bit into legal descriptions, but I want to point out what this is so that this starts to make sense. On that previous map that we looked at, this area here generally is 10A and 10B, and this one specifically right here would be 10A, and then over here would be 10B. So what we are looking at as we move forward with a development lease, and you will notice this one is development number 1128. You will also see in here development number 1238. They are different. Those are not typos, so that's part of the complexity as we're looking at a couple of different leases. But originally, what we did is we authorized the developer to take down a 10-acre parcel, and this would be kind of proof of concept. You can go in and you can start building something here, and as you prove the concept, you will have an option to purchase these remaining 30 acres. So the entire footprint is 40 acres, and it would be specific to you can start on the 10. We called that the initial parcel, and then once proof of concept is there, we would allow him to purchase additional property. Is are we okay here so far? Okay, thank you. That's great. That's a good sign. Okay, proposed preliminary plat by 2020. We still hadn't seen much of anything out there. A lot of that was just trying to, you know, fine tune things, make sure that everything was working correctly, that we could get the different businesses on board. And our development partner approached us by saying, "We think that with additional market research, that we're going to need to start out by putting some lots in place and bringing businesses here, get some money, and then that will help us to move forward with some of the other amenities and so forth.

A

Aaron Langston 1:02:55

So that was proposed to Washington City in 2020, and as this was happening, we looked at this and thought, would it be better for the trust possibly to enter into a joint venture or a JV with this partner, or is it better to just kind of let him move along as originally intended? As we were contemplating this, he sold a couple of the lots. So please note that there are nine lots here. Not all of these made it into our JV, and I will point that out here. I think I have another slide that will show this. Okay, I do have another slide that will show that, and I'll get to it when we get there. So the joint venture lands. This is kind of what we're looking at here. So if I were to go back and look at that one map where it shows kind of the 40 acres, I'm going to try to paint some lines here so that you can generally see this. But generally speaking, this color here I think that is magenta-ish. That kind of represents the 30-acre additional lands, and then this yellow, blue, and green. These represent the original initial takedown parcel, which would be 10 acres. We have these lots here colored differently, kind of a green and a blue color, because as we were negotiating this proposed joint venture under his original development lease, so that Devil Number 1128 Dynasty Development actually purchased these two lots. Those were lots seven and eight. They were purchased. So when we did enter into the JV, it was on the remaining seven lots, and that's everything in yellow. So then, as he would move forward and prove concept on these seven lots, then it would enable him to move. Forward into these additional lands, so roughly 30 acres. One of the things that I'm trying to call out here on this paragraph 5.2 from our development lease is one of the reasons that we wanted to enter into this JV is it would give us some control on what would happen on those lots. Number one, and number two, a possible upside on revenue. So our original contract tied everything down by a price, a certain price. So he would get basically \$6.94. You can kind of see that right here, 694 per square foot as his takedown price, but if we partnered with him and we split this, we would be able to get some upside. So if we are receiving 33% of the gross sales or rent or revenue generated from the lots here, we would have the option or a potential of earning more than 694, so that was how the agreement was structured. You have to pay us at least what the original deal was, but hopefully we'll have a chance to make more money than what the original deal was. Okay, here's that other map that I was hoping to show you. So when we entered into this agreement again, lots seven and eight had already been sold to Dynasty, so those two lots were out. As soon as we did enter the joint venture, we had a credit union come to us right here in lot three, and they wanted to purchase this at \$35 a foot. So you can see this happened in 2021. You know when we originally did this deal, the appraised value was I think at \$6.35 per foot. It just kind of shows you what happened in Washington County during that 2020 and 2021 time period. So, to say the least, values escalated, and of course, we actually put infrastructure in. So that's the difference between raw land, no infrastructure, versus here's a development with curb and gutter and all of the appropriate infrastructure in place. So with that, he sold that, or I should say, we sold that in our joint venture to the credit union for \$35 a foot, sales price of 1.3 million, and this is where it gets a little bit tricky. So we know what we should get on a minimum. We also have this new agreement, so we're kind of playing both ways. What generates the most revenue to the trust? Our 33% of 1.3 million is 447,000. On the other hand, 694 times the square footage of that lot that was sold is 268.

A

Aaron Langston 1:07:51

So you can see our original thought process of doing a joint venture actually did generate more money for us. So we're like, well, this is what we're going to do. But the joint venture also included roads. So how do we deal with these roads now? So we calculated the square footage of the roads in and said we feel like we should receive 491,000. Our partner did not agree with that number, and under protest, he paid that to us. But because it was under protest, we did not want to deposit that money in the permanent fund. It was rather, let's put it in a suspense account and make sure that we both come to terms with that money. And once we are both in agreement, then we can move that forward into the permanent fund. To be clear, we have not come to an agreement yet, so that money currently sits in that suspense account. Okay, this question here: stay in or get out. This is a 2026 question. This is very current. We have the remaining six lots, and the question is: Is it better for us to stay in this JV or is it better for us to get out? We've had a lot of conversations with our development partner, and in my opinion, he has given us a very attractive offer to part ways, so I want to try to frame that a little bit here. But as we put our lands into the JV, so basically excluding lots seven and eight because they had already been sold. So as we looked at the remaining lots right here, and we put those into the JV that had a book value of 3.49 million, so that was based on the total square footage of these lots for the price that we had in the contract, totaling 3.49 million. So of course the hope is that we will get at least 3.49 million out of this when we're done. Now, as we look at that, what is the probability of us receiving 3.49 million if we stay in the JV? Probability of success. I want to point out right here. This is that magenta color. So again, these are option lands, and I'm just trying to look at this thing right here. This is not to scale, to be very clear, but this gives you a concept. We are working with a big box retailer that requires 22 acres. So we are we've been moving forward with this big box retailer for quite some time now, and they do wish to take this down at very favorable prices. So that's one item here I need to discuss. Also, the JV itself to put in all of the infrastructure to build all of these lots, we carry a loan of \$2.41 million. So that loan is still outstanding. And currently, on the remaining six lots, we do not have anything built, so no more structures, no more buildings. Now let's look at a proposed dissolution. This is what our development partner offered. TLA would receive lots four, five, and six. Notice we have free and clear of all debt. Our partner Dynasty Development would receive lots one, two, and nine. All of the debt from this entire project would be shifted to these three lots that Dynasty would hold. TLA then releases the disputed funds, 491,000. Again, that is revenue that has never been deposited into the permanent fund. So we would release that to buy down the debt that the JV carries, and then Dynasty would be authorized to move forward on the remaining eight acres of option lands if the 22-acre sale closes. I hope I have a map here that will kind of show you what that looks like, so that that makes sense, so as previously mentioned, this kind of represents the 22 acre footprint within this 30 acre area that the big box would like to close on. 30 minus the 22 equals eight remaining acres. So this little orange box here roughly tries to describe this area here that would be remaining. So if we come back to the original option agreement, and notice I have here first option parcel, which now is everything in yellow. In order for our partner from the original development lease to move forward onto any of this land in magenta, he has to hit these hurdles.

A

Aaron Langston 1:13:08

The main hurdle here is to really complete 75% of the vertical improvements. So if we look at this, how many lots were in there? That you know, seven lots, but then it would also include the two that he had. So there's nine lots total. He has to be 75% complete vertical before he can move on. What we have negotiated with him is we will waive these if you can close on this big box because this big box is very critical to Washington City, and it represents great revenue to the trust. So we wish him to move forward on that. And if he closes, we will also waive these obligations so that he can move forward with doing something on the remaining eight acres. I want to pause there. That's a lot of information to unpack. Does anybody have any questions or comments thus far,

K

Kelly Williams 1:14:08

mr. Chair? I just want to make sure I'm understanding the the 497 or 491. Is that then a concession that we would be making to the to our JV partner, yes, they had paid us for the roads.

A

Aaron Langston 1:14:26

Yes, that's that's exactly right. So as we come back to this slide here, here's your 491,000. So really, what we're doing is we're saying you take on the entire \$2.4 million worth of debt. Our contribution towards that will be to pay back the 491 that has never been deposited.

K

Kelly Williams 1:14:46

Thank you.

A

Aaron Langston 1:14:47

Which is why I really feel it's kind of lopsided in our favor. Which is why I would say our development partner is really treating us well on this proposed dissolution. Great question. Thank you,

S

Spencer Moffat 1:14:59

mr. Chair, I have one question. Just on the that option payment, explain to me that eight acres that they would have access to. Would we continue to be a partner on that eight acres, that eight acre option piece?

A

Aaron Langston 1:15:11

That's a great question. The simple answer is no, we will not. But to be very clear, we are only partners on this stuff in yellow, so and that's a little bit of the complexity with this is we have a joint venture for the property in yellow, and then the rest of the land, particularly everything in magenta, that is outside of our joint venture, and it just coincides with our original development lease, the Devil 1128. So what we're doing is saying we will just simply waive these obligations. You will no longer have to do all of this, and you will be able to move forward with this. That's not to say that we're waiving any of the design guidelines or CCNRs, so all of those will still apply. It's simply that he will not have to move forward with 75% with his vertical build in the yellow area in order to do this. But again, this is conditioned on the sale of the 22 acre site to the big box.

K

Kyle Pasley 1:16:24

That's what you're asking. So that that's part of the option agreement. Yes.

A

Aaron Langston 1:16:41

Yes, that's correct. That is correct. Yes, there was another question here, I believe. Yeah,

J

John Baza 1:16:52

let me make sure I understand. My impressions are right. So we've been in this joint venture since 2021, and it strikes me from what you're saying that the joint venture has not produced what our anticipated results were when we entered into it.

A

Aaron Langston 1:17:10

That is correct.

J

John Baza 1:17:11

Okay, got it. Thanks.

T Troy Herold 1:17:13
Okay.

A Aaron Langston 1:17:18
Stay in or dissolve. Next, we employed Eric Bame. I think many of you know him. He is phenomenal at doing some financial analysis for us. So, this is what we're looking at: if we continue, if we if we dissolve and we get those three lots, and if we sell those lots at current market prices, and we feel that 30 to \$35 a foot is very realistic, to be very clear, we actually had an offer on the table at \$50 a foot, which we feel is probably high. That offer is no longer on the table. Incidentally, they walked, but we feel that we can pretty easily get 30 to 35 dollars a foot if we were to sell those parcels. That shows that we're going to get somewhere in the range of 4 to 4.7 million dollars. And of course, we feel if we hold it for a little bit longer, we could probably look into this range here, 40 potentially \$45. Again, these lots would be free and clear. We have no carrying costs. We could just sell when the right opportunity comes. If we contrast that to staying in the the JV as it currently is structured, we feel like we will have somewhere between just under a million to maybe around 2.1 million in most of the modeling. If we look at a very favorable model, because as you know, as Eric does his models, he's going to take some very aggressive looks. He's going to take some what he would consider conservative looks, and and everything in between, and so he's suggesting that at most we're probably going to see 2.6 million. So from a financial analysis, it just makes sense to take our three lots and potentially try to make four to close to 5 million. And again, the number that we shared earlier, we need to make sure that we can clear 3.4 million. Had we never entered the JV, that is what we would have received just at the original takedown price. So we feel this at least makes us whole with an opportunity to even make us better. Any questions on this?

M Mike Nelson 1:19:41
I have a comment and a general question, if I may.

A Aaron Langston 1:19:43
Please.

M Mike Nelson 1:19:44
First, the comment is courtesy of Monty Python. Is that my brain hurts?

A

Aaron Langston 1:19:49

You're not alone, Dr. Nelson. You're not alone.

M

Mike Nelson 1:19:52

And second, it's more general. Have we entered into other joint ventures on real estate development in the past?

A

Aaron Langston 1:20:00

Of course, we have yes, yes, and some of those are very, very good. We have some very lucrative ones. So, yes.

M

Mike Nelson 1:20:10

Any other questions? Okay,

A

Aaron Langston 1:20:13

I'll continue. This is a. I feel bad for whoever dares to raise their hand to make a motion if someone so chooses. But I want to kind of point out what we had recommended here is I move to approve the JV dissolution as set forth in the board memorandum, and then I thought in case you so choose. Really, what we're saying one two and three and I just kind of want to go over those with you so that you can kind of see the JV will convey lots four five and six to TLA free and clear of all loan encumbrances except for the application of the disputed funds toward paying down the loan balance TLA will have no further responsibility for the repayment of that loan. So, in other words, we get our three lots. We have no obligation at all in the JV. We're out. Number two, the JV will convey lots one, two, and nine to Dynasty. The loan will encumber the Dynasty property, and TLA will have no further responsibility for the loan. And number three, TLA will release the conditions in development lease number 1129 for developing the remaining eight acres of the option property, if the purchase and sell agreement for the other 22 acres with a big big box retailer closes. Of course, if that doesn't close, then that condition no longer applies, and therefore he will have to move forward with hitting all of the requirements and obligations before he can move forward into any of that 30 acre parcel. So, any questions on this? Yes, please.

D

Dan Simons 1:22:07

Aaron, would you remind me the time frame of which he has to perform on getting that big box in place? Is there a time frame?

A

Aaron Langston 1:22:15

Yeah, that's a tough one to answer. I'll, I'll, yeah, I'll I'll tell you as good as I can. It's a good enough deal to where if they choose to extend, we're most likely to say okay, we're in favor of your extension. But to be very clear, right now they are on track to close this calendar year, so we feel very strongly that this deal will actually happen this calendar year, and we will see that revenue come in. But again, at any time, as you know, they could say we pull the plug or we choose to extend. But we are anticipating a close for this calendar year. Okay,

D

Dan Simons 1:23:03

thank you for refreshing my memory, and I wanted the rest of the board to understand that too.

A

Aaron Langston 1:23:08

Thank you. Other comments or questions?

B

Brian Tarbet 1:23:12

Four, five, and six contain this parcel that's so sought after the 2022 acres.

A

Aaron Langston 1:23:20

No, I'm I'm sorry. I probably did a lousy job explaining. So lots four, five, and six are inside our JV.

B

Brian Tarbet 1:23:32

I it's okay. And then I'm a lot smarter than I explained it to me. I'm good.

A

Aaron Langston 1:23:37

I know how that feels. Trust me. But yeah, the the 22 acre parcel would be here where our lots would be. Four, five, and six are actually like right here and right here. So, yeah, great question. Thank you.

J

John Baza 1:23:53

So it seems like things have been stalled in the past because he's failed to perform on building infrastructure and things like that. My experience with business people in the past is some are good at deal making and some are good at operating. So, what do you think the chances are that he'll move ahead with some of his development plans?

A

Aaron Langston 1:24:18

I think if the 22 acre big box closes, it will change everything, because you will now have a lot of people coming here to shop at this store, and as that happens, you're going to have a lot of traffic in here, and I think you're going to see all of these lots sell instantly, and there will be a lot of pressure for development on these eight acres. So I think if this one closes, the rest of this development could potentially be closed in the next year or two. Of course, we're looking at a really weird market right now in real estate with interest rates continuing to come. And so forth. So, obviously, that will play a factor. But again, we did have an offer on one of these lots in here at \$50 a foot, and that was without knowledge that this was coming in. So, we think there's a good chance that we'll see some success here.

S

Spencer Moffat 1:25:20

Just one more question for you: Are you at all concerned that we create competition now where we're not a JV partner with them, where we may be undercut on pricing on the pads that we control? You know, by potentially the pads that the the developer controls. Is that something that we should be concerned about, or you don't feel like that's an issue?

A

Aaron Langston 1:25:40

I think it's a great question, and if the board has input for us, I would love to take your input. I'll just kind of tell you what I'm thinking, but again, I'm not the end all to this. Where we are the trust, and we are perpetual, and we have no carrying costs. We could sit here for 50 years or 100 years, and just wait for those values to go up. Wait for everything to fill in, and then we act. We could also be competitive and say, let's get our money out today, and as soon as this big box closes, let's go out and stick four sell signs on these and get what we can. I think there will be a lot of demand for these lots, if this closes. If it doesn't, there will still be moderate demand for these. We are getting proposals from time to time. It's just that we don't necessarily want some of the ones that are coming in to be the face of our development. Thank you.

S

Spencer Moffat 1:26:39

That's I appreciate that answer.

A

Aaron Langston 1:26:41

Thank you,

K

Kelly Williams 1:26:44

mr. May. Ask one more question. You mentioned that the the loan will be released from the loan, and I'm just curious. You probably have had conversations with the with the lender. Are they on board for this proposal, and do we have their approval to be released?

A

Aaron Langston 1:27:04

That was a great question. Thank you. As we mentioned, and this is in the writing, so hopefully I'm not going to mess this up. I've got a lot of numbers jumbled in my head, but I believe that loan is 2.4 million, and if we pay the 491,000 into this, I'm probably get to a better slide. I'm just randomly going up. So yeah, so we shift everything into these lots here by everything meaning the loan. That will that should bring it down to about 1.8 million. So yes, there was an appraisal done at the bank, which happens to be Cache Valley Bank, to make sure that the value of these three lots will be at least the 1.8 million, which it was. We did request a copy of it. We've not received it yet. I don't know if we will. If we will, of course, we'll share it. If I should say, if we do, then we will share it, but yeah, it's these lots have enough value to take on that loan.

 Kelly Williams 1:28:07
Great, thank you.

 Mike Nelson 1:28:09
Any other questions?

 Spencer Moffat 1:28:12
Just one more. Well, disclosure, mr. Chair, I I in my professional work have an associate who looked at this project for development, we didn't enter any contract or do any work on it. But I just wanted to disclose that in the event that that's a concern to the board.

 Mike Nelson 1:28:29
Okay, thank you. Hearing nothing else, do I have a motion?

 Dan Simons 1:28:36
Yes, I'd like to make a motion and make this easy on myself and everybody else. I move to approve the JV dissolution as set forth in the board memorandum, including items one, two, and three, as outlined in the staff report. Very good. Get that.

 Kelly Williams 1:28:53
That's a great motion.

 Mike Nelson 1:28:58
Do I have a second? Oh yes, thank you. All in favor?

 Dan Simons 1:29:03
Aye.

 Mike Nelson 1:29:06
The motion is approved.

 Aaron Langston 1:29:10
Thank you.

 Mike Nelson 1:29:16
Next item is a capital budget request for county-level asset management planning services, and that will be presented by Troy Harold, Planning Director of Strategic Industries.

T

Troy Herold 1:29:33

Morning, Chair, Trustees. Thank you for your time. Appreciate your time this morning. I wanted to take just a minute and walk you through. I wanted to take just a minute walk you through the the capital budget request process because this is not something you would normally see. It's just a really a special exception here that you'll be looking at this particular item during. The normal budgeting process, as you I'm sure you're aware, there's a \$5 million capital budget currently, and in that budgeting process, Kyle, Michelle, the other managing directors look at what projects are upcoming, and what things will need to be spent on out of that capital budget. That process is about a year and a half to two years in advance of when those we expect those things to happen, and so there's a lot of planning that goes into place to say, okay, we're going to spend a certain dollar amount on these individual projects. When things come up, we do have some money within that capital budget that we can spend on other items, and I've really covered that in the board memo. You know, it allows the staff to look at processes for either selecting a consultant directly if it's under a certain dollar amount, or looking at proposals, or if it's an unknown cost or a cost that comes up. That's when we come to the boards. That's what you're here for today. As I'm sure the board's aware, the the director and the staff have taken a different and heightened emphasis on strategic planning. That's happened with remaps. That's happened with my new position with the within the agency. And so, over this last year, we've taken a much more proactive land management approach. The request that we're before you today is not new monies; it is to be is to use monies out of that existing capital budget. But our policies and rules require that we come to you when we're looking to spend money that had not been previously budgeted. Excuse me, out of that budget, and it's also based on this policy statement. So this is a large capital expenditure policy, and basically anything over that \$100,000 that was not budgeted for separately, it requires a majority vote of the board for approval, and then that other highlight you can see there were capital expenditures specifically approved during the budget review process will have been deemed to be approved. So future expenditures to account for county-level management plans that we are looking at doing, we do anticipate being able to budget for those in new fiscal years as that money comes on board. Because of some concerns from the planning committee, we did do some research on you know what the average cost is or what the cost is that we're currently spending on planning and engineering services. And over the last 10 years, it's been approximately 680,000 years what's being spent, and that goes into current projects. It tracks how we're doing things. So you know, planning has always been an important part of what the agency does for our projects. This is maybe a little bit of a new approach. So before we jump into the approach, thought maybe we'd have Kyle talk about some existing projects and and what's happened with those. So

K

Kyle Pasley 1:33:12

thank you, Troy, and thank you, mr. Chair, and members of the Board of Trustees. It's good to be with you today. One of the requests coming out of the Planning committee was to maybe give a little bit of history of how planning has benefited the agency before, and make sure that that was on record because a lot of this is going to just be an extension of an approach that we've already taken in a micro sense in Washington County, which is what I want to use as an example, and we have other planning examples as well. 21 years ago this month, I was hired to work for the trust, and I was offered my job sitting at exit 13 that was just talked about by Aaron in his previous discussion. The current deputy director at the time, or deputy assistant director at the time, had me meet him there, and and it was just an interchange with sagebrush. It had just barely been put in, and at the time, Washington County had 118,000 residents, and there were six major interchanges that were in five major interchanges at that point in the greater St. George area. One of those was the one we just built through planning, which was Milepost 13. The other one was Milepost 16, where Coral Canyon sits. That we had just put some significant planning and money into to make better and to improve. One that would be coming was Milepost 2, the Atkinville interchange, which is the plan you see before you on the board here, and at that time there was no interchange, and me and other employees at the time, and Director McConkie, who was acting as our development attorney, and others were working on ways. To build that interchange, and we looked at Washington County, and Washington County had a preponderance of TrustLands aggregated in the development core and the the population core of the county, and there was lots of countywide planning going on for infrastructure, including the Southern Parkway, the new airport that was going to be built, St. George, and we wanted to figure out how we could get into that and improve the position of TrustLands by being involved in that planning process on a macro level in the county, and so we decided it would be good to help with redoing the interchange. And could you turn on the laser pointer? Would you mind to get into doing the interchange, Ackenville interchange? So this was built. We were already involved in Sun River here and the Fort Pierce Industrial Park here, but we did some major planning to make sure that we went through all of this was sagebrush and not zoned or contemplated in the city of St. George. So we did planning that put in the interchange, did planning that moved River Road that allowed this to provide more traffic and interchange with the Fort Pierce Industrial Park, so that that could grow. We received we did this plan, which looks different now because of a new developer that's come in, but to set densities with the city and plans over here that could adjourn with Desert Canyons that was further involved, and then this is milepost 13, where where Aaron was just talking about. We already had Sienna Hills, but we had to figure out how do we plan for all of this land because this would all become one continuous loop, and how could we make this loop, in conjunction with all of the other county infrastructure plans, make sense to lift the value of our assets in Washington County, and really the purpose of this was to accomplish what I'll call the 3v's of planning: increase our value, increase the velocity, and decrease the viscosity of planning. By doing this, we increase the value of what we have. We, or maybe we increase the viscosity. We, we just did. Okay, thank you. Whatever. I I hire anything with viscosity out to someone else. This is the way I work in my life, personal life. But so we we increase the value by planning. We increase the velocity, so the ability to get our lands into the market in a favorable position quicker, and we kind of lower the friction point with local jurisdictions because we're working with them and they have an idea of what's coming.

K

Kyle Pasley 1:37:58

And as growth has happened, that's a good way to take care of it. Now we just like to take this process and move it across the state. So Washington County was kind of a unicorn for a long time. It was off the Wasatch Front. It was becoming an urban core. It was growing exponentially. The population of Washington County is now 220,000 people, and there are eight major interchanges there in the metro area. But what's happening in the state is we're seeing Washington County now become replicated in other counties around the state. We're on the verge of Twila becoming a Washington County and of other counties, Iron County becoming that way, and the population exploding and getting to the point that we need to replicate this process across the state so that we can increase the value, we can increase the velocity, and we can we can make the viscosity better. We'll just say that right, so that we can have less friction points with the partners around us, both in the public sector and in the private sector. So that's really kind of what we're here to ask ask for today. And this is the shift in focus: is to try to do that. Now we've spent money, a considerable amount of money here, but it has returned vast amounts of money out of Washington County. That has been a very large money maker for us, and we've gotten a lot of that into the permanent fund much quicker than we would have, and much easier than we would have. Doesn't take away all the problems, but it makes it much easier. So the request before you today, I want to make sure we all understand the why behind it. Troy's going to talk about the what, but the why is really what driving is what is driving this, and that's to set the trust up. The first 30 years have been lucrative. We want the next 50 years to be just as lucrative, if not more so. And in order to do that, we need to build. The road to get there, and this is how we do it.

T

Troy Herold 1:40:05

I've got a couple numbers from Eric Bame just in front of me. I'll just emphasize that the the South Block property over the years there was \$8 million spent in planning, and that project has netted 195 million in revenue. The Sienna Hills project has there has been \$3 million spent in planning services, and there has been over \$55 million in revenue. So the planning services are an investment into the property, as Kyle mentioned, that can help accelerate that. The the slight difference is you know the approach. We have looked at, and it kind of goes into some of what Chris Fausett was talking about earlier with the exchanges. You know we've we've spent a lot of time focusing at planning efforts as an agency into what we would have typically determined are development designated or development properties, and not necessarily a whole lot of thought into looking at the rest of the asset. There was a planner that the agency had hired, and that's covered in the board memo until he retired. I believe it was in 2013, where he did look at the various large land blocks that we have, of which there's 58. So there's quite a few. And one of the audit recommendations was that came out from the recent audit was that we needed to look at maybe updating those those blocks, as Kyle and Michelle and I discussed how to best go about that updating those blocks, those block plans were very inward focused. They were not externally focused. They were okay. What can we do with this specific piece of property? It did not have any input from stakeholders or others about those properties, and that's a that's an approach that in this day and age I don't think we can take. We need to include stakeholders in these conversations, and that's we're finding out that that is becoming more and more critical to get stakeholder involvement in from the county at the county level. The other thing that's becoming, or that is, it makes the county level process easier. Is it simplifies who we're talking to? We can talk to county commissions. We can talk to economic development folks that are working in those counties, and the state has taken a similar approach in their resource management plans. The state has, for years, had resource management plans that are broken out on that county by county level, and so we're looking to do this in a similar approach where we can work with each county or with each economic development professionals within those counties, and develop what I'm come up with an acronym. We're going to call them CAMPs, County Asset Management Plans for the trust lands, and that's our goal: is to really define the asset within each county. And as mr. Fauset alluded to, there's opportunities where we can look at those exchanges and possibly reset the checkerboard even on a county by county level, that's how the Dingle Exchange that mr. Fauset discussed initially started. Was an individual county wanting to look at their assets. So if we can work with each county, there's opportunities for us to certainly do that in the future as well. So that's our goal. How do we get there? Well, first, it's a lot of work. That's obviously in the volume of the request, if you will. There's a lot of work to develop these plans, particularly since it's something that is fairly new to the agency. So we engaged with key stakeholders. We talked with representatives from Plitco, from the state governor's office, from other major planning agencies across that are dealing with these issues across the state, and got recommendations for you know who could help us through this process. Came up with a list of consultants integral integral to those discussions with those consultants, and my key concerns were an understanding and willingness and comfort that they need to advocate for the trust. That's key in my mind because we are not public lands. Everyone knows that. At least, hopefully, everyone knows that. And as we talk with stakeholders, they'll be discussing that. That aspect is that these are asset management plans. They are not a resource. We are developing and managing an asset of the trust. So how do they go about doing that? Another key thing was that we want to make sure that their expertise they bring to the table as a consultant.

T

Troy Herold 1:44:59

Is compatible with the internal expertise that we have. We have significant internal expertise, as I think most of the board members know. We have geoscientists, we have range managers, we have real estate development professionals. We have a lot of expertise in house. We want to make sure we can take advantage of that in house expertise and bring a consultant on board that can work with us to develop these plans internally. So after some of those initial stakeholder conversations, we arrived at three parties or three different consultant groups that might do this work. Two rows to the top very quickly. Mr. Pasley and I had meetings with those two consultants, at least four separate times over a course of approximately four months, both consultants could bring an advantage to the to the agency. Consultant A, they were very technically proficient. They have experience with a lot of the existing resource management plans, federal government work, community planning work workshops. The concerns that came out from consultant A was they might be a little too tied to some of the existing county relationships. They've done a lot of work with some of those counties. They also have a lot of expertise that overlaps with our own internal expertise. They did not have a clearly defined communication plan or stakeholder engagement, and as Kyle and I had these conversations over the last four months, we've really come to realize that that's probably the key thing we need for these this consultant. We need a consultant that can come in and help us drive stakeholder engagement and outreach to make sure that we're getting the message out there about these offset management plans, and that's the advantage that consultant B brings. They have they do have experience with the resource management plans that are out there. They're extremely proficient in workshops and public outreach and stakeholder engagement. They're extremely proficient as process designers and in group facilitation, they've partnered. They are partnered with a large regional engineering firm for technical backup if we need it. So if we need to supplement our technical expertise, we can do that with them. And they're also fully committed to the TrustLands mission. That's something that was important to me is that they understand our mission and they're fully committed to it. So the budget. This is the budget and the scope that they propose for over the next three years. I do anticipate.

B

Brian Tarbet 1:47:34

Troy, I applaud this overall approach. The question I have is why not go through an RFP process. Sole source makes me edgy. As a board, I think we would all be edgy. Strikes me that you have time to go through a process that would protect the board and allow us to pick the best consultant.

K

Kyle Pasley 1:47:57

So we we did go through a bid process. This is highly specialized. There's not that many who are going to respond to this.

B

Brian Tarbet 1:48:04

You did an RFP process.

K

Kyle Pasley 1:48:06

You did an advertisement process, correct? Yes.

B

Brian Tarbet 1:48:10

Okay. Yes, Mike. Maybe this question is for you. Did it meet the requirements of a bid process under state procurement statute?

M

Mike Johnson 1:48:21

Yeah, I I would have to look at it. To be honest with you, I wasn't involved in this particular advertising effort, so I don't know the details.

B

Brian Tarbet 1:48:30

That's the only concern I've got is we have protection if there was an open process and all interested parties can bid.

T

Troy Herold 1:48:38

That's that's covered in the board memo as well. The the provisions for either sole source procurement. I'm pulling it up. Sorry.

B

Brian Tarbet 1:48:48

Don't mistake what I'm saying. I've used sole source a lot in my work in government. It's the process I'm correct. Yeah. Concerned. Again,

T Troy Herold 1:48:57

we went through an interview process with at least three different consultants, and we have narrowed that list down to two, and then we have the one that we're recommending.

A Aaron Langston 1:49:12

Yeah.

T Troy Herold 1:49:17

So this was the anticipated budget and scope of work it covers the kickoff one pager stakeholder mapping, etc. I'd be happy to go through as many details you'd like in that. They do anticipate between the rest of this fiscal year spending approximately 300,000, next fiscal year spending around 500,000, and then in fiscal year 29, they anticipated a budget of around 150 to 200,000. I'm requesting 300 in case things pop up. Would prefer obviously not to come back after this process over the next year and a half to two years. We fully anticipate that we would. Have a much better understanding of any future yearly requirements, and would be able to handle that either in house or with a much smaller portion of the capital budget. And just as a reminder, these these numbers are contained within the existing \$5 million capital budget that's in place.

K Kyle Pasley 1:50:23

And this includes. Sorry. And just to be clear, this all this would get us through all the counties that we have land in. So we would start initially with Washington and Millard County, and then the rest of those processes set forth over the next few years would get us through the remaining counties that we have land in. So every county except for Salt Lake County and Davis, and I think Morgan, we don't have land in. Yeah, I mean we'll talk to Salt Lake and Davis County, but it'll be a short conversation. So.

M Mike Nelson 1:51:02

I'm still unclear on your response to Trustee Tarbet's question. First, is there a defined process within the state for doing this sort of expert search and so on? And are we comfortable that we followed that correctly.

K Kyle Pasley 1:51:23

I'm sorry. There is a defined RFP process for this that we've we've followed. This is the same as when we've done planning services through the development group. We followed those processes. I'm confident that we followed that process. There, to Trustee Tarbit's excellent suggestion. We'll make sure that that is documented well as we go through the contracting process.

M Mike Johnson 1:51:49

And Kyle, maybe just one point of clarification. At least as I read the memo and understand where this sits, what we're asking the board for is an approval for the use of this money from the budget for this purpose, but hasn't been spent yet. No one's been hired yet. We can we can go through and cure any deficiency we might locate or undertake any further process we might need to to actually.

B Brian Tarbet 1:52:18

We just need to for procurement

M Mike Johnson 1:52:20

purposes. That's sort of a separate step than what you're asking the board for right now. mr.

K Kelly Williams 1:52:27

Chairman, if I could just to the to Mike's point, I think it is covered. And I was going to ask the same question: if we have a written report, I think it's 850 dash 11 dash 500 that requires a written report. I think that would would cover us if we could have that prepared. So, thank you.

M Mike Nelson 1:52:48

Right. Yes, mr.

J John Baza 1:52:49

Chairman. I I'm a big fan of accountability, and I know what we're talking about today is the approval of the funds to spend on this project, but what are your plans in terms of giving progress reports to the board as you go through this planning process? How does that work?

T Troy Herold 1:53:12

So the I apologize, I don't have the rule in front of me, but there is a in one of the Rule 850 100, I believe it is, of the agency rules do require that any large planning efforts come back to the board for approval, and that those planning efforts do also get notified to the Resource Development Coordinating Council. So, Adam, that would be the minimum, and then certainly we'd be more than happy to keep the board involved and apprised as the processes continue, as much as the board would like to be involved in that. To

K Kyle Pasley 1:53:51

to that end, to trustee, we have formed a new committee subcommittee, the planning subcommittee that reviewed this, that looks at this so that we have a mechanism to actually do reviews and have some accountability. Otherwise, that would be kind of unwieldy to just constantly have reviews coming back to the full board and getting into a lot of those details. So we formed a subcommittee, just like other subcommittees. Once we get into that work, then I think we'll determine how often those updates should be had. Should that be had quarterly? We we don't want to overdo it so that there's nothing to report, but we don't want to wait too long between reports. So I would anticipate that you'd get quarterly to bi yearly updates through the subcommittee, who can then recommend that it goes back to the full board when that when that meets those requirements.

J John Baza 1:54:41

Oh, I appreciate that because just like the other subcommittees, we hear regular reports from them, especially when action items are being taken. So I appreciate that.

T Troy Herold 1:54:52

And currently, I believe Trustee Williams, Trustee Moffitt, and Trustee Mauer are the members of that planning subcommittee.

B

Brian Tarbet 1:55:04

What was the name of that committee you referred to? Resource Development Plan. What was it?

K

Kyle Pasley 1:55:13

So RDCC, the Resource Development Coordinating Council. It's a statewide council of different agency heads that action items of any significance from each agency are sent to, and they review for comment.

B

Brian Tarbet 1:55:30

So that's a larger than Sitla. That's that's

K

Kyle Pasley 1:55:33

larger than Sitla. Yeah, that that includes DNR, DWR, includes sovereign lands. I I don't Plipco. It lots of people that get a chance to state parks to comment. I think it even doesn't include federal partners. Remind me. No, just state partners.

T

Troy Herold 1:55:54

And and one thing I will add, mrs. Laura Hanson, the governor's office state planner. We had numerous conversations with her about this process and and our involvement in the state planners alignment network. That's something new that I think I updated the board on several months ago. That I've been involved with now in my position, and the trust has been fairly new to be involved with. And she's really excited about the approach that we're taking. I don't necessarily want to speak for her, but the feedback I've gotten from her has been nothing but positive on this approach and the and the direction we're heading.

M

Mike Nelson 1:56:32

The subcommittee that you have discussed, there will also be a subcommittee within the TrustLands Administration, in addition to this statewide one. Correct. Any other questions? Yes,

D Dan Simons 1:56:50
sir. Are you at liberty to tell us who the two top runners were? It's

K Kyle Pasley 1:57:02
a public process. the the the the top runner is the Langdon Group, and they're a subdivision of JUB Engineers. And the the other one was a very qualified group in the state that I Bio West. I'll just

D Dan Simons 1:57:23
okay.

K Kyle Pasley 1:57:24
Was the other was the other finalist? Thank you.

D Dan Simons 1:57:27
In the future, is that something I shouldn't ask? I'm just wondering in case I heard something I don't like about the planning group or something. Yeah, I'll defer to our

K Kyle Pasley 1:57:37
chief legal counsel on that.

M Mike Johnson 1:57:42
Yeah, normally we don't get into talking about procurement, you know, selection process and the open and public board meetings, and

D Dan Simons 1:57:49
so that's something I should ask in private.

- M** Mike Johnson 1:57:51
I think it's fine. Yeah, I mean, normally that this those kinds of you know actions wouldn't be come before you for approval necessarily anyway. But when we're engaged in the middle of those things, just for kind of purposes of not having, you know, people collude or other things normally, you know, not public. But I don't think there's any harm in having talked about it today.
- D** Dan Simons 1:58:19
Sorry to be a wild card there and causing problems. Anyway, thank you.
- M** Mike Nelson 1:58:32
Oh, he wasn't trying to make a comment though. Probably just talking about Emory County,
- B** Brian Tarbet 1:58:43
Baron.
- M** Mike Nelson 1:58:44
So do do I hear a motion?
- B** Brian Tarbet 1:58:49
So moved.
- K** Kelly Williams 1:58:58
Second.
- M** Mike Nelson 1:59:01
Second. got a second. I can't tell what's happening here.

 Mike Johnson 1:59:12
Yeah, we were getting Mike Maurer. We were getting a little extra noise that was coming over your transmission. Maybe we should just hit the reset and have somebody make the motion as presented on the screen.

 Mike Nelson 1:59:25
Thank you.

 John Baza 1:59:26
I move to approve the capital expenditures for county-level asset management plans as set forth in the board memorandum.

 Mike Nelson 1:59:34
Thank you. And a second.

 Kelly Williams 1:59:35
A second that.

 Mike Nelson 1:59:36
Thank you. All in favor?

 Kelly Williams 1:59:39
Aye.

 Mike Nelson 1:59:40
Thank you. The motion is passed. Thank you.

T Troy Herold 1:59:44
Thank you. We'll keep you updated,

M Mike Johnson 1:59:47
mr. Chairman. I've got I've written out a shorter statement for you to read on the next action item to save you from having to read all of that text into the record. If I. Yeah.

M Mike Nelson 2:00:13
Very well. The board will now conduct a closed session to discuss the sale of real property pursuant to both Utah Code Section 53C-1-20, and also Section 52-4-205, parentheses 1e. Do I have a motion,

D Dan Simons 2:00:37
mr. Chair? I'll make a motion that we go into closed session.

M Mike Nelson 2:00:41
Thank you. I'll second that.

S Spencer Moffat 2:00:44
Second.

M Mike Nelson 2:00:47
Yes. So now going to close session.

M Michelle McConkie 2:00:49
Perfect. I was just going to say. Oh, we can't. Yeah, I don't.

 Mike Johnson 2:00:55
Yeah. Did and did I hear a vote? I'm not sure. I did. We got the motion, and then the vote. Yeah.

 Mike Nelson 2:01:07
So all in favor?

 Kelly Williams 2:01:10
Aye. Thank

 Mike Nelson 2:01:11
you.

 Mike Johnson 2:01:11
Yeah, and just for the record, it's unanimous. We like pay attention to those on the close because it requires two thirds or more. So that was unanimous.

 Mike Nelson 2:01:36
Thanks everyone for your participation today.

 Dan Simons 2:01:38
Yes, my motion was on behalf of Mike Maller.

 Mike Nelson 2:01:43
May he never die. His favorite.