
THESE MINUTES INCLUDES MINERAL ACTIONS AS LISTED ON PAGES 1 TO 4; SURFACE ACTIONS AS LISTED ON PAGES 4 TO 27; DEVELOPMENT ACTIONS AS LISTED ON PAGES 28 TO 31; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 31; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGE 32.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS. FINAL ACTIONS TO LEASE, SELL, OR EXCHANGE SPECIFIC REAL PROPERTY ARE NOT SUBJECT TO ADMINISTRATIVE REVIEW PURSUANT TO UTAH CODE ANN. 53C-1-304(2)(b). FOR THOSE AGENCY ACTIONS THAT MAY BE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY’S RULES, ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON MONDAY, OCTOBER 17, 2016. APPEALS NOT FILED BY THAT TIME WILL NOT BE ACCEPTED AND THE MATTERS WILL BE CONSIDERED UNAPPEALABLE.

DAVID URE, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

TONYA MORTENSEN, RECORDS SPECIALIST

ARCHIVES APPROVAL NO. 7990209
MINERAL ACTIONS

APPROVAL OF MATERIALS PERMIT NO. 583 – SAND AND GRAVEL

APPLICANT:
Fuller Construction
P.O. Box 262
La Sal, UT 84530

SUBJECT LANDS:
Township 28 South, Range 24 East, SLB&M
Section 32: NE¼NE¼

The lease administrator has had this legal description reviewed by the GIS Group.

COUNTY: San Juan
ACRES: 40.00
FUND: School

PROPOSED ACTION:
The applicant proposes to mine common sand and gravel from the subject lands to support local road maintenance.

RELEVANT FACTUAL BACKGROUND:
The subject lands are located within San Juan County north of the town of La Sal. The public notice process was completed pursuant to R850-23-500, including publication in a newspaper with circulation in San Juan County, notification of an adjoining landowner, permittees, and lessees. No competing applications were received.

This action is exempt from the State of Utah Resource Development Coordinating Committee (“RDCC”) process because it is an on-going use of the subject lands, and no additional lands will be disturbed. The royalty rate for this permit is $0.65 per bank cubic yard of sand and gravel.

EVALUATION OF FACTS:
Pursuant to R850-23-200, the School and Institutional Trust Lands Administration (“SITLA”) may issue materials permits or convey profits a prendre or similar interests on trust lands when SITLA deems it consistent with land-use plans and Agency responsibilities. Mining of sand and gravel is an appropriate and historic use of the subject lands. The royalty rate for material produced from this pit is consistent with rates for other pits on trust lands in the area and meets the requirements of R850-23-300(2)(a). This action qualifies as an exclusion to the Administrative Policy on Records of Decision. This action is not considered substantive, nor does it warrant the time and expense necessary to prepare a full narrative record. Therefore, this summary will serve as the Record of Decision. The five (5) year term of the permit is consistent with the requirements of R850-23-400.

Upon recommendation of Mr. Andy Bedingfield, the Director approved the issuance of MP 583 for a term of five (5) years beginning November 1, 2016 and expiring October 31, 2021. The application fee of $250 and the processing fee of $700 will be submitted. The annual rental is $400, which represents $10 per acre for the permit.
READJUSTMENT OF MINERAL LEASE NO. 982 – TRAVERTINE LIMESTONE

The following-described limestone lease was issued originally on October 1, 1941 for a term of 10 years. The current lease term will expire on September 30, 2016. The lessor may readjust the terms and conditions of the lease at the end of each period of 10 years from the effective date of the lease. The annual rental rate will remain $3 per acre or $500, whichever is greater. The annual minimum royalty will remain $2,000. The production royalty rate will change to $2 per short ton or 10%, whichever is greater, for the leased substance. All other terms and conditions of the lease for the next term of 10 years shall be as per the current standard limestone mineral lease form of the School and Institutional Trust Lands Administration.

ML 982 T22S, R6W SLB&M Millard
Robert M. Robison Section 35: E½E½ 160.00 acres
5854 S. Ayrshire Dr.
Salt Lake City, UT  84107

New Expiration Date: September 30, 2026.

FUND: SCH

Upon recommendation of Mr. Andy Bedingfield, the Director approved the readjustment of ML 982 for a term of 10 years. The annual rental is $500 and the advanced annual minimum royalty is $2,000.

CORRECTION OF DIRECTOR’S MINUTES DATED SEPTEMBER 19, 2016 FOR RELEASE OF SURETY BOND – ML 53198-ROME (MULT)

On the Director’s Actions of September 19, 2016, page 1, a reclamation surety bond was released for ML 53198-ROME from Canyon Fuel Company, LLC, 597 South SR 24, Salina, UT  84654 with Ironshore Indemnity, Inc. The surety bond number was listed erroneously as Surety Bond #SUR60000447 in the amount of $25,000. The correct bond to be released with the associated lease is Surety Bond #SUR60000337.

This item was submitted by Mr. Andy Bedingfield for record keeping purposes.

RELEASE OF SURETY BOND NO. SUR60000447 – ML 53192-ROME (SCH)

On July 27, 2015, the Director accepted Surety Bond #SUR60000447 in the amount of $25,000 from Canyon Fuel Company, LLC, 597 South SR 24, Salina, UT  84654 with Ironshore Indemnity, Inc. as Surety, to serve as a reclamation bond for an exploration drilling program for coal. The necessary drilling and reclamation activities have been completed, including plugging and abandoning the exploration hole in accordance with Division of Oil, Gas and Mining regulations. The right-of-mineral entry expired on July 31, 2016, and the bond should be released.

Upon recommendation of Mr. Andy Bedingfield, the Director released the above-listed surety bond.
READJUSTMENT AND EXTENSION – ML 50498 AND ML 50500 – METALLIFEROUS MINERALS (SCH)

On September 30, 2016, the above-referenced Metalliferous Minerals Leases reached the end of their 10-year lease term. As provided for in Article II of the lease agreement, at the end of each 10-year period, the State of Utah, as lessor, shall have the right to readjust the terms and conditions of the lease as may then be determined to be in the best interest of the Agency. As provided by Article II of the lease agreement, the School and Institutional Trust Lands Administration will readjust the leases under the following lease terms:

- Annual rental shall be the greater of, $1 per acre and fractional part thereof, or $500.
- Annual minimum royalty of three (3) times the annual rental.
- Production royalty shall be 8% for fissionable and 4% for non-fissionable metalliferous minerals of the gross value of the leased substances sold under an arm’s-length transaction at the first point of sale.
- The term of the lease will be extended for an additional 10 years with a new expiration date of September 30, 2026.

ML 50498
Columbus Silver (US) Corporation
573 East Second Street
Reno, NV 89502

Annual Rental: $640
Minimum Royalty: $1,920

ML 50500
Kennecott Exploration Company
Attn.: Land Department
224 North 2200 West
Salt Lake City, UT 84116

Annual Rental: $541
Minimum Royalty: $1,623

Upon recommendation of Mr. Jerry Mansfield, the Director approved the above-listed readjustment and extension.

RECORD TITLE ASSIGNMENT – OIL AND GAS LEASE

A record title assignment has been submitted for .833% interest in and to the lease listed below to Jeanie Shaterian (.4165%), 1450 Hawthorn Terrace, Berkeley, CA 94708-1804, and George McLaughlin (.4165%), 1417 Ada Street, Berkeley, CA 94702, by Trust “A” U/W George E. Cranmer. No override reserved.

….ML 21613 (SCH)…. 

Upon recommendation of Ms. LaVonne Garrison, the Director approved the above-listed record title assignment.
EXTENSION OF ML 90009-OBA – BIG WATER BLOCK – OIL, GAS AND ASSOCIATED HYDROCARBONS (MULT)

The Board of Trustees approved the above-numbered Other Business Arrangement (“OBA”) with Tidewater Oil & Gas Company LLC (“Tidewater”) at its November 5, 2014, Phone-in Meeting. Upon verbal discussions with the Minerals Sub-committee, the deadline to spud an initial test well will be extended from September 1, 2016 to October 1, 2016. All other terms and conditions of the OBA remain unchanged.

Upon recommendation of Ms. LaVonne Garrison, the Director approved the extension as outlined above.

EXTENSION OF ML 90008-OBA – PARKER MOUNTAIN BLOCK – OIL, GAS AND ASSOCIATED HYDROCARBONS (SCH)

The Board of Trustees approved the above-numbered Other Business Arrangement (“OBA”) with Tidewater Oil & Gas Company LLC (“Tidewater”) at its November 5, 2014, Phone-in Meeting. Upon verbal discussions with the Minerals Sub-committee, the deadline to spud an initial test well will be extended from September 1, 2016 to December 1, 2016. All other terms and conditions of the OBA remain unchanged.

Upon recommendation of Ms. LaVonne Garrison, the Director approved the extension as outlined above.

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SURFACE ACTIONS
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GRAZING PERMITS

GRAZING PERMIT NO. 23420-15 (PARTIAL NON-USE)

Welby Todd Jorgensen, 1805 West Hwy. 116, Mount Pleasant, UT 84647, has requested 53.6% non-use (208 AUMs), for resource protection/betterment, considering drought conditions. Agency staff has verified conditions and received documentation from the Bureau of Land Management verifying equal partial non-use across the allotments involved.

The $20 non-use fee has been submitted. Because the non-use application was received after late fee assessments, a new billing should be made including the full amount in late fees, weed fees, and assessment for 180 AUMs. Millard County. School Fund.

Upon recommendation of Mr. Slate Stewart, the Director approved the request for partial non-use of GP 23420-15.

GRAZING PERMIT NO. 22738-14 (COLLATERAL ASSIGNMENT)

Paul D. Redd, P.O. Box 445 Paradox, CO 81429, has requested permission to collaterally assign his interest (100%) in the above-referenced grazing permit to Treynor State Bank, 15 E. Main St., P.O. Box A, Treynor, IA 51575.

The collateral assignment fee in the amount of $50 has been submitted. San Juan County. University Fund

Upon recommendation of Mr. Slate Stewart, the Director approved the collateral assignment for GP 22738-14.
RANGE IMPROVEMENT PROJECTS

RANGE IMPROVEMENT PROJECT NO. 679 – (WITHIN GP 22121-02)

APPLICANT’S NAME AND ADDRESS:
School and Institutional Trust Lands Administration
c/o Scott Chamberlain
130 North Main
Richfield, UT 84701

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:
Township 6 South, Range 1 West, SLB&M,
Section 3: W½W½W½NW¼, NW¼NE¼NE¼SW¼ (Within)

COUNTY: Utah FUND: School

REQUESTED/PROPOSED ACTION:
The project consists of constructing a 1/4 mile of fence above the landfill and clay pits which are above Saratoga Springs. This fence will be part of a three-pasture rotation system for grazing.

RELEVANT FACTUAL BACKGROUND:
The applicant submitted a proposal for this range improvement project on September 1, 2016. The anticipated start date is October 2016. This is a joint project between the grazing permittee, the Division of Forestry, Fire, and State Lands (“FFSL”) and the Agency. The grazing associated with this fence is to help facilitate the creation of a fire break above the town of Saratoga Springs. Both the local Soil Conservation District and the town of Saratoga Springs are cooperators.

Agency cultural resource staff has determined that no adverse impacts to cultural resources will occur.

The lease administrator has had this legal description reviewed by the GIS Group.

Fence projects are exempt from review by the Resource Development Coordinating Committee.

A search of Agency records was made to determine the status of the area involved. Contracts in the area are: grazing permit GP 22121-02, the permittee, and Predesignation No. 797 (PRED 797), withdraw of motorized vehicles. Though the area will be accessed by vehicles during construction, access will be blocked when the work is done.

The project approximate cost on trust lands is valued at $7,500. The FFSL is providing $7,000 for material and labor costs. The Agency is contributing up to $500 towards the estimated $7,500 cost of the project. Because the applicant is not the permittee of record, the project will not be eligible for amortization. Note: the life of the project (the benefit) is 20 years.

EVALUATION OF THE FACTS:
This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 679.
RANGE IMPROVEMENT PROJECT NO. 680

APPLICANT’S NAME AND ADDRESS:
Utah Division of Wildlife Resources
318 North Vernal Ave.
Vernal, UT 84078

LEGAL DESCRIPTION OF LANDS DIRECTLY AFFECTED:
Township 4 South, Range 19 East, SLB&M
Section 36: W½W½W½ (Within)

COUNTY: Uintah  FUND: School

REQUESTED/PROPOSED ACTION:
The applicant proposes to ‘lop and scatter’ by hand approximately 25 acres of young pinyon and juniper trees.

RELEVANT FACTUAL BACKGROUND:
The applicant submitted a proposal for this range improvement project on September 12, 2016. The anticipated start date is fall 2016. The project will require no new roads to be built to access the area. The area will not require rest from livestock use. This is part of a larger project on adjacent public lands for the protection of sage grouse.

The project is exempt from review by the Resource Development Coordinating Committee.

Agency cultural resource staff has determined ‘lop and scatters’ are not considered an undertaking.

The lease administrator has had this legal description reviewed by the GIS Group.

A search of Agency records was made to determine the status of the area involved. There is only one (1) grazing permit, GP 22202-08. The grazing permittee is in favor of the project.

The project cost on trust lands is valued at $875. Because the applicant is not the permittee of record, the project will not be eligible for amortization. Note: the life of the project (the benefit) is 20 years.

EVALUATION OF THE FACTS:
This range improvement is in compliance with R850-50-1100(5)(a) and (b). The project does enhance the value of the resources pursuant to R850-50-1100(5)(c).

Upon recommendation of Mr. Scott Chamberlain, the Director approved Range Improvement Project No. 680.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 6356

On September 20, 2016, Mr. Gary Bagley, pursuant to R850-41-200 and in accordance with direction and delegation of authority, approved the request of the Sageriders Motorcycle Club of Utah, a nonprofit corporation, c/o Neil Dansie, 238 North Cherry Lane, Santaquin, UT 84655, to occupy the following-described trust lands in Juab County, for the purpose of an organized motorcycle race on a pre-determined course on existing roads and trails as reviewed and administered by the Bureau of Land Management (“BLM”). The permit was issued for a one-day period, October 15, 2016. The permittee is required to abide by the same rules and procedures established for the entire race course event and to the terms required in this permit. The permitted trust lands parcels involved in the motorcycle race included the following:
RIGHT OF ENTRY NO. 6356 (CONTINUED)

LEGAL DESCRIPTIONS:

Township 11 South, Range 6 West, SLB&M
Section 36: within the E2 and E2W2 3.76 acres

Township 12 South, Range 6 West, SLB&M
Section 2: within the NE4 and NE4SE4 0.90 acre

Total acreage is 4.66, more or less. All acreage is estimated.

The route of the motorcycle race is up to 10 feet in width and is depicted on the attached map, Exhibit “B,” and is made a part hereto.

The majority of the route of the race is on federal lands, with only a very small portion on trust lands. The camping and staging areas are all on adjoining federal lands and shall not be included in this permit. The BLM, the lead agency, has reviewed the entire race course and is approving its temporary permit, subject to approval of the permit on trust lands. The permittee has been notified of the provision of the right-of-entry permit, that the permittee shall have permission from the BLM, the lead agency for this project, for use of federal lands; otherwise this permit is not valid. The permittee has submitted proof of insurance with the State of Utah named as an additional insured.

The fees and rental compensation for this right-of-entry permit shall be a $50 application fee, a $50 processing fee, plus a usage assessment of $350, totaling $450. The term of this permit is one (1) day, October 15, 2016. Juab County. School Fund.

This item was submitted by Mr. Gary Bagley for record-keeping purposes.

EASEMENTS

EASEMENT NO. 1990 (APPROVAL)

APPLICANT’S NAME AND ADDRESS:
South Central Communications
P.O. Box 555
Escalante, UT 84726

LEGAL DESCRIPTION:
Township 43 South, Range 1 East, SLB&M
Section 1: S½S½ (Within)
Section 2: S½ (Within)
Section 3: S½ (Within)
Section 4: S½NW¼, S½NE¼, NE¼SE¼ (Within)
Section 5: S½N½, Lot 4 (Within)
Section 6: Lots 1 & 2, SE¼NE¼ (Within)
A strip of land 5 ft on either side of a line with a POB in the Northeast ¼ of Section 6, Township 43 South, Range 1 East, SLB&M which lies S 70°28'18" W a distance of 2803 ft, more or less (m/l), from the NE Corner of Section 6; thence N 88°19'54" E a distance of 107 ft; thence N 89°42'5" E a distance of 200 ft; thence S 89°1'4" E a distance of 182 ft; thence S 88°19'39" E a distance of 143 ft; thence S 88°13'0" E a distance of 151 ft; thence S 87°26'10" E a distance of 140 ft; thence S 86°6'25" E a distance of 353 ft; thence S 83°38'40" E a distance of 433 ft; thence S 81°55'17" E a distance of 326 ft; thence S 80°39'1" E a distance of 609 ft; thence S 80°54'6" E a distance of 593 ft; thence S 80°58'57" E a distance of 904 ft; thence S 80°28'5" E a distance of 459 ft; thence S 80°40'22" E a distance of 508 ft; thence S 80°45'32" E a distance of 532 ft; thence S 80°26'12" E a distance of 273 ft; thence S 80°46'8" E a distance of 1357 ft; thence S 80°39'47" E a distance of 1406 ft; thence S 80°46'48" E a distance of 1456 ft; thence S 80°38'43" E a distance of 1275 ft; thence S 80°49'18" E a distance of 1450 ft; thence S 80°19'27" E a distance of 552 ft; thence N 58°44'10" E a distance of 102 ft; thence N 90°0'0" E a distance of 167 ft; thence S 82°2'48" E a distance of 143 ft; thence S 78°4'14" E a distance of 76 ft; thence S 69°10'0" E a distance of 126 ft; thence S 46°40'29" E a distance of 126 ft; thence S 82°14'35" E a distance of 316 ft; thence S 80°41'11" E a distance of 792 ft; thence S 81°17'43" E a distance of 544 ft; thence S 80°21'57" E a distance of 629 ft; thence S 80°43'11" E a distance of 484 ft; thence S 82°0'16" E a distance of 689 ft; thence S 74°30'57" E a distance of 160 ft; thence S 80°57'5" E a distance of 450 ft; thence S 80°37'25" E a distance of 569 ft; thence S 81°0'34" E a distance of 520 ft; thence S 80°31'40" E a distance of 1013 ft; thence S 80°52'32" E a distance of 900 ft; thence S 80°58'13" E a distance of 272 ft; thence S 80°52'27" E a distance of 933 ft; thence S 80°15'10" E a distance of 345 ft; thence S 80°46'7" E a distance of 552 ft; thence S 80°39'47" E a distance of 860 ft; thence S 80°36'59" E a distance of 1118 ft; thence S 80°47'38" E a distance of 306 ft; thence S 80°49'51" E a distance of 1137 ft; thence S 80°27'14" E a distance of 352 ft; thence S 80°51'15" E a distance of 682 ft; thence S 81°20'30" E a distance of 671 ft; thence S 80°16'15" E a distance of 1103 ft; thence S 80°55'36" E a distance of 277 ft; thence S 80°59'23" E a distance of 825 ft; thence S 80°19'58" E a distance of 527 ft; thence S 80°51'38" E a distance of 912 ft; thence S 81°47'5" E a distance of 496 ft; thence S 80°5'1" E a distance of 1016 ft; thence S 83°22'24" E a distance of 460 ft; thence S 78°20'54" E a distance of 480 ft; thence S 80°31'29" E a distance of 759 ft; thence S 80°52'27" E a distance of 933 ft; thence S 80°39'43" E a distance of 552 ft; thence S 81°0'38" E a distance of 187 ft; thence S 80°43'43" E a distance of 821 ft; thence S 80°42'31" E a distance of 516 ft; thence S 81°10'43" E a distance of 1087 ft; thence S 80°35'15" E a distance of 1376 ft; thence S 79°42'47" E a distance of 297 ft; thence S 81°13'49" E a distance of 779 ft; thence S 80°32'15" E a distance of 792 ft; thence S 88°52'4" E a distance of 264 ft; thence S 73°13'13" E a distance of 285 ft; thence S 81°0'25" E a distance of 1066 ft; thence S 80°35'26" E a distance of 370 ft; thence S 80°34'27" E a distance of 1069 ft; thence S 80°28'43" E a distance of 334 ft; thence S 80°58'50" E a distance of 332 ft; thence S 79°37'39" E a distance of 237 ft; thence S 77°28'16" E a distance of 230 ft; thence S 74°21'56" E a distance of 290 ft; thence S 71°7'43" E a distance of 303 ft; thence S 67°25'52" E a distance of 340 ft; thence S 64°3'44" E a distance of 510 ft; thence S 62°47'37" E a distance of 458 ft; thence S 63°28'42" E a distance of 614 ft; thence S 63°16'29" E a distance of 667 ft; thence S 63°36'44" E a distance of 602 ft; thence S 62°36'32" E a distance of 381 ft to the point of termination, said line also being 5 ft North of the Southerly right of way line of Utah State Highway 89, and running parallel to said Southerly r/w line a total distance of 50,939 ft, m/l.
EASEMENT NO. 1990 (APPROVAL) (CONTINUED)

Also, beginning at a point in the Southwest ¼ of Section 19, T43S, R3E, SLB&M which lies N 84°30'55" W a distance of 12 feet from I-15 N ROW Line SITLA E Border monument located at 37°3'15" N, 111°38'0" W in the Southwest ¼ of said Section 19; thence N 56°57" W a distance of 573 feet; thence N 53°19'32" W a distance of 509 feet; thence N 49°52'36" W a distance of 602 feet; thence N 42°14'18" W a distance of 453 feet; thence N 40°17'36" W a distance of 482 feet; thence N 33°12'4" W a distance of 470 feet; thence N 33°22'2" W a distance of 1062 feet; thence N 32°29'43" W a distance of 1019 feet; thence N 33°5'20" W a distance of 671 feet; thence N 33°5'20" W a distance of 886 feet; thence N 33°27'58" W a distance of 715 feet; thence N 34°37'24" W a distance of 290 feet; thence N 38°21'26" W a distance of 407 feet; thence N 41°9'27" W a distance of 440 feet; thence N 44°21'22" W a distance of 291 feet; thence N 48°7'19" W a distance of 270 feet; thence N 50°14'49" W a distance of 322 feet; thence N 56°2'46" W a distance of 419 feet; thence N 59°14'44" W a distance of 326 feet; thence N 63°1'32" W a distance of 725 feet; thence N 63°8'47" W a distance of 863 feet; thence N 63°26'42" W a distance of 1148 feet; thence N 63°49'53" W a distance of 598 feet; thence N 62°31'52" W a distance of 1434 feet; thence S 33°53'36" W a distance of 307 feet to the point of termination located in the Southeast ¼ of Section 10, T43S, R2E, SLB&M.

Less and excepting all that portion not within the grantor’s property.

The easement administrator has had this legal description reviewed by the GIS Group.

COUNTY: Kane  ACRES: 14.90  FUND: School

PROPOSED ACTION:

The applicant has requested a non-exclusive easement to construct, operate, repair, and maintain a proposed fiber optic line. The proposed fiber optic line will be buried along the North right-of-way line of Highway 89 (within the right of way) in and near Big Water, then along the South right-of-way line west of Big Water. The proposed line will serve Page, Arizona. The proposed easement corridor is 10-feet wide and approximately 66,272-feet long, containing approximately 14.9 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:

The subject “Application to Purchase an Easement” was received on April 30, 2015. It was submitted for Agency review on May 20, 2015, and was accepted by the Director on June 4, 2015. The application was then placed on hold pending cultural resource surveys.

The project area has been surveyed for cultural resources by Transcon Environmental, Inc. (U-15-TN-0759b,n,p,s).

Because the proposed fiber optic line will be installed within the existing highway right of way, the proposed easement is exempt from review by the Resource Development Coordinating Committee (“RDCC”).

EVALUATION OF FACTS:

The Agency’s archaeology staff has reviewed the cultural resource survey that was completed by Transcon Environmental, Inc. A total of 25 sites are located in the area of potential effects. The Bureau of Land Management - Grand Staircase-Escalante National Monument (BLM-GSENM) is acting as the lead agency for cultural compliance for this undertaking. The BLM-GSENM has made a determination of “No Adverse Effect” provided the applicant follows the avoidance measures recommended by the archaeologist. A letter from the State Historic Preservation Office (“SHPO”) dated August 25, 2016, concurs with this determination (SHPO Case No. 16-1013).

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant’s request for a non-exclusive easement. The term of the easement will be 30 years beginning October 1, 2016, and expiring September 30, 2046. The application fee of $750 and the easement rental assessment of $24,098.91 have been submitted. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of $1,000.
EASEMENT NO. 2087 (APPROVAL)

APPLICANT’S NAME AND ADDRESS:
Garkane Energy Cooperative, Inc.
1802 South Highway 89A
Kanab, UT  84741

LEGAL DESCRIPTION:
Township 42 South, Range 7 West, SLB&M
Section 16: NE¼NE¼, W½NE¼, NW¼SE¼ (Within)

A 30-foot wide easement, 15 feet each side of the following-described centerline:

Commencing at the Northwest Corner of Section 16, T42S, R7W, SLB&M, thence Easterly along the North line of said Section 16, a distance of 4,171 feet to the Point of Beginning; thence S 18°08'32" W 2,119 feet; thence S 00°37'58" W 1,828 feet; thence N 72°22'35" W 85 feet; thence N 68°37'16" W 93 feet to the Point of Ending; the Point of Ending being 40°57'04" E 5,068 feet, more or less, from the Northwest Corner of said Section 16.

The easement administrator has had this legal description reviewed by the GIS Group.

COUNTY: Kane  ACRES: 2.84  FUND: School

PROPOSED ACTION:
The applicant has requested a non-exclusive easement to operate, repair, and maintain an existing power line. The existing line is known as the Red Knoll 19.9kV power line. The line is an overhead line that serves a Kane County television tower (ROW 926). The existing line was constructed in 1966, but no easement of record can be located. Trespass rates will be assessed as appropriate. The proposed easement is approximately 4,125-feet long and 30-feet wide, containing approximately 2.84 acres. The requested term of the easement is 30 years.

RELEVANT FACTUAL BACKGROUND:
The subject “Application to Purchase an Easement” was received on July 26, 2016. It was submitted for Agency review on August 3, 2016, and was accepted by the Director on August 17, 2016.

Because the proposed easement is for an existing power line, it is exempt from further review by the Resource Development Coordinating Committee.

EVALUATION OF FACTS:
The Agency’s archaeology staff has reviewed the proposed easement. Because the proposed easement is for an existing facility, and because no further ground disturbance is planned, a cultural resource survey is not required, and the easement has been cleared for cultural resources with a finding of “No Historic Properties Affected.”

Upon recommendation of Mr. Scott Bartlett, the Director approved the applicant’s request for a non-exclusive easement. The term of the easement will be 30 years beginning October 1, 2016, and expiring September 30, 2046. The application fee of $750 and the easement rental assessment per trespass rates of $9,000 have been submitted. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of $1,000.
SPECIAL USE LEASE AGREEMENTS

SPECIAL USE LEASE NO. 1821 (APPROVAL)

APPLICANT’S NAME AND ADDRESS:
Mercury Towers, LLC
4760 Preston Road, Suite 224-291
Frisco, TX  75034

Application Fee:    $    250
Processing Charge:  700
Initial Construction Period Rental:  2,400
Total Submitted:     $3,350

TYPE:  Telecommunication
TERM:  30 Years
BEGINNING DATE:  October 1, 2016
ENDING DATE:  September 30, 2046
RENTAL DUE DATE:  October 1

ANNUAL BASE RENTAL CONSTRUCTION PERIOD RATE:  $2,400
ANNUAL BASE RENTAL POST-CONSTRUCTION PERIOD RATE: $9,600
NEXT FIVE-YEAR SITE REVIEW DATE:  October 1, 2021

FUND:  School
COUNTY:  Box Elder
SITE NAME:  Red Butte
ENTITY TYPE:  A Texas Limited Liability Company, registered to do business in Utah
ACRES:  Tower Site:  0.23 acre, m/l

LEGAL DESCRIPTIONS:

TOWER SITE LEASE AREA
BEING A TELECOMMUNICATIONS LEASE PARCEL LYING WITHIN A PORTION OF THE SOUTHWEST 1/4 OF SECTION 18, TOWNHIP 9 NORTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, BOX ELDER COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 18; THENCE ALONG THE SOUTH LINE OF SAID SECTION S89°14'14"E, 776.89 FEET; THENCE N00°45' 46"E, 777.54 FEET TO THE POINT OF BEGINNING; THENCE N60°17'25"W, 35.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT “A”; THENCE CONTINUING N60°17'25"W, 44.21 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT “B” THENCE CONTINUING N60°17'25"W, 20.79 FEET; THENCE N29°42'35"E, 100.00 FEET; THENCE S60°17'25"E, 21.47 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT “C”; THENCE CONTINUING S60°17'25"E, 78.53 FEET; THENCE S29°42'35"W, 50.25 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT “D”; THENCE CONTINUING S29°42'35"W, 49.75 FEET TO THE POINT OF BEGINNING.

CONTAINING 10,000 SQ. FT. OR 0.230 ACRE MORE OR LESS.

ACCESS ROAD EASEMENTS
BEING TWO (2) STRIPS OF LAND 20.00 FEET IN WIDTH LYING WITHIN A PORTION OF THE SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 9 NORTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, BOX ELDER COUNTY, UTAH, LYING 10.00 FEET ON EACH SIDE OF THE FOLLOWING-DESCRIBED CENTERLINES:
SPECIAL USE LEASE NO. 1821 (APPROVAL) (CONTINUED)

(STRIP ONE)

BEGINNING AT POINT “A” AS DESCRIBED ABOVE; THENCE S29°42'35"W, 14.44 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT "E"; THENCE CONTINUING S29°42'35"W, 99.31 FEET; THENCE S80°10'11"E, 123.97 FEET; THENCE S81°25'58"E, 95.48 FEET; THENCE S84°30'54"E, 136.38 FEET TO THE RIGHT OF WAY OF STATE HIGHWAY 30 AND THE END OF SAID STRIP OF LAND.

EXCEPT ANY PORTION LYING WITHIN THE RIGHT OF WAY OF STATE HIGHWAY 38.

(STRIP TWO)

BEGINNING AT POINT “E” AS DESCRIBED ABOVE; THENCE N60°17'25"W, 34.00 FEET TO THE END OF SAID STRIP OF LAND.

GUY-WIRE & UTILITY EASEMENTS

BEING THREE (3) STRIPS OF LAND 25.00 FEET IN WIDTH LYING WITHIN A PORTION OF THE SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 9 NORTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN, BOX ELDER COUNTY, UTAH, LYING 12.50 FEET ON EACH SIDE OF THE FOLLOWING-DESCRIBED CENTERLINES:

(STRIP ONE)

BEGINNING AT POINT “B” AS DESCRIBED ABOVE; THENCE S60°00'00"W, 122.08 FEET TO THE END OF SAID STRIP OF LAND.

(STRIP TWO)

BEGINNING AT POINT “C” AS DESCRIBED ABOVE; THENCE N00°00'00"W, 122.43 FEET TO THE END OF SAID STRIP OF LAND.

(STRIP THREE)

BEGINNING AT POINT “D” AS DESCRIBED ABOVE; THENCE S60°00'00"E, 130.00 FEET TO THE END OF SAID STRIP OF LAND.

SIDELINES OF SAID STRIPS OF LAND ARE TO BE LENGTHENED AND/OR SHORTENED TO PREVENT GAPS AND/OR OVERLAPS.

The legal description has been reviewed and approved by the GIS Group.

PROPOSED ACTION:

Issue a 30-year communication lease for one (1) cellular-wireless tower site.
SPECIAL USE LEASE NO. 1821 (APPROVAL) (CONTINUED)

RELEVANT FACTUAL BACKGROUND:

The applicant has applied for a telecommunications special use lease. The proposal is to construct and operate one (1) communication site, and install associated equipment, small equipment shelters or cabinets, and associated required radio equipment required for the primary use of cellular voice and data. The facilities include one (1) guyed-lattice tower with an estimated height of 195 feet, along with a 10-foot x 20-foot prefabricated radio equipment shelter, and the related antennas, receivers, radio equipment, and other equipment required to operate and maintain the facility. The primary purpose of the lease is to improve cellular-wireless telephone and related data coverage and emergency response in this rural area of Box Elder County.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Agency staff is recommending an initial temporarily reduced and pro-rated construction rental rate of $2,400 per year, from the beginning of the lease until the facilities are completed, as described in the proposed lease. This initial rate will be pro-rated and could last up to three (3) years. Once the construction is completed, as defined in the proposed lease, the annual base rental will increase to $9,600 per year for the remainder of the first five-year period of the lease. Effective October 1, 2021, the annual base rent shall subsequently be increased by cumulative CPI inflationary adjustments, as set forth in the proposed lease agreement. The proposed lease agreement also contains a clause that gives the Agency the option to re-evaluate the base rental using an appraisal of the lease at the end the 20-year period of the lease. The annual base rental includes rental for the first tenant co-located on the site, which is known as the base or primary tenant. The proposed lease allows for up to four (4) pre-approved sublessees. The applicant (a.k.a. tenant) shall pay the Agency additional sublease revenue for each of the co-located sublessees #2 through #4 in the amount of the greater of: 25% of the adjusted-gross revenue, as defined in the lease.

Pursuant to R850-30-400, a review of comparable lease rates was conducted. The rentals for a communication site of this type located in this area of Box Elder County are within the range consistent with market value. Additional sublease rentals shall be charged when additional sublessees co-locate on the site, subject to the terms of the lease.

The difference in the fair-market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant. The revenue from the proposed use is greater than any other return from the basic raw land value of the parcel. It is nearly certain that the return per acre for the parcel as a communication site will always exceed the fair-market value rental of the subject property for other surface uses. The current estimated raw land value of the subject parcel ranges from about $300 to $400 per acre. Given the current prime interest rate, a fair-market value on raw land would require a per acre rental return of about $20 per acre. Comparatively, the per acre revenue from the communication site lease is significantly higher per acre. It is highly probable that revenue per acre shall exceed that amount, depending on the number of future sublessees that may co-locate on the site. In any event, it is extremely unlikely that any other use would ever exceed the projected communication site revenues per acre returned for the site during a 30-year lease period.

This proposed action was submitted for review to the State of Utah, Resource Development Coordinating Committee (“RDCC”) and to the Bear River Association of Governments. No written comments were received, but staff discussed the tower and sage grouse protection with the Division of Wildlife Resources (“DWR”). Agency staff also provided Box Elder County and its County Commission with a notice of the proposed tower site, with no written responses received. Agency staff discussed this proposal site with the DWR regarding sage grouse impacts and protection. One concern DWR had was that the tower could become a perching site for birds of prey to see and attack sage grouse. The applicant committed to install a bird perching prevention shield on the top of the tower to prevent raptor perching and protect sage grouse. The DWR indicated it had no other concerns.
Agency staff contacted the Box Elder County Coordinated Resource Management Group Committee in June 2015, providing it with the opportunity to provide any comments it had regarding the proposed tower. None were ever submitted. Agency staff also contacted the Hill Air Force Base environmental group in June 2015 regarding the proposed tower and provided them with the opportunity to provide comments. No comments were provided.

In May 2015, staff notified the livestock grazing permittee (GP 21128 and RIP 147), who is also a private landowner in the area; ESMT 1637, the power line utility company, and ESMT 1491, a major buried natural gas line. Box Elder County was also notified. No comments were received from any of them.

The applicant contracted for a cultural resource survey, which was completed, but with a concern about an historical road by the site. Further consultation with the applicant’s archaeologist and the Agency’s archaeologist and a re-survey of the access road spur to the site resolved the issue so no cultural resources would be negatively impacted. Cultural resource compliance has now been completed.

The applicant will continue to work with the Federal Communications Commission (“FCC”) to complete any requirements set forth by the FCC to satisfy federal requirements of the FCC and obtain FCC licensing.

The proposed term of the lease is 30 years. A 20-year term is consistent with the normal maximum term for telecommunication site leases, as provided for in R850-30-200(3)(c). However, a 30-year lease may be approved by the Director if it is in the best interest of the beneficiaries. Agency staff recommends that the proposed 30-year lease is in the best interest of the trust beneficiaries because the revenue per acre is the highest and best use of the property, and the longer term is anticipated to be a benefit to retain and attract subtenants on the site. The applicant would not agree to a 20-year term, and would not commit capital resources to build on the site if there was not a 30-year term.

The applicant is a Texas Limited Liability Company, licensed to do business in Utah.

The proposed communication site is expected to benefit the area by providing much-needed and improved public safety communication and cellular-wireless and related data communication in an area that needs coverage.

The applicant shall also be required to procure the appropriate conditional use permit and building permits from Box Elder County before beginning construction. The applicant has already contacted the County regarding zoning and permitting.

The applicant will be required to provide insurance and bonding prior to any on-site construction.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1821 with a 30-year term. The lease shall have a commencement date of October 1, 2016, and an expiration date of September 30, 2046. The beginning annual rental will initially be a temporary lower construction period rental of $2,400 during the construction period, not to last more than three (3) years. Once the construction is completed, the annual base rental will increase to $9,600, during the first five-year year period of the proposed lease. Thereafter, the rental adjustments shall be made at the time of each five-year review as set forth in the proposed lease, with the next review date of October 1, 2021.
SPECIAL USE LEASE NO. 1822 (APPROVAL)

APPLICANT’S NAME AND ADDRESS:
Mercury Towers, LLC
4760 Preston Road, Suite 224-291
Frisco, TX  75034

TYPE: Telecommunication
APPLICATION FEE: $250
TERM: 30 Years
PROCESSING CHARGE: $700
BEGINNING DATE: October 1, 2016
APPLICATION FEE: $250
ENDING DATE: September 30, 2046
INITIAL CONSTRUCTION PERIOD RENTAL: $2,400
RENTAL DUE DATE: October 1
TOTAL SUBMITTED: $3,350
ANNUAL BASE RENTAL CONSTRUCTION PERIOD RATE: $2,400
ANNUAL BASE RENTAL POST-CONSTRUCTION PERIOD RATE: $9,600
NEXT FIVE-YEAR SITE REVIEW DATE: October 1, 2021
FUND: School
COUNTY: Box Elder
SITE NAME: Grouse Creek
ENTITY TYPE: A Texas Limited Liability Company, registered to do business in Utah
ACRES: Tower Site: 0.23 acre, m/l

LEGAL DESCRIPTION:
TOWER LEASE SITE AREA:
BEING A TELECOMMUNICATIONS LEASE PARCEL LYING WITHIN A PORTION OF SECTION 16,
TOWNSHIP 8 NORTH, RANGE 18 WEST, SALT LAKE BASE AND MERIDIAN, COUNTY OF BOX ELDER,
UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 16;
THENCE ALONG THE EAST LINE OF SAID SECTION, S00°28'04"W, 2669.29 FEET TO THE EAST 1/4 CORNER OF SAID SECTION;
THENCE N52°06'06"W, 188.25 FEET TO THE POINT OF BEGINNING;
THENCE S89°59'21"E, 100.00 FEET;
THENCE N00°00'39"W, 100.00 FEET;
THENCE N89°59'21"E, 50.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT “A”;
THENCE CONTINUING N89°59'21"E, 50.00 FEET;
THENCE S00°00'39"E, 100.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 10,000 SQ. FT. OR 0.230 ACRE MORE OR LESS.

ACCESS/UTILITY EASEMENT:
BEING A STRIP OF LAND 20.00 FEET IN WIDTH LYING WITHIN A PORTION OF SECTION 16,
TOWNSHIP 8 NORTH, RANGE 18 WEST, SALT LAKE BASE AND MERIDIAN, COUNTY OF BOX ELDER,
UTAH, LYING 10.00 FEET ON EACH SIDE OF THE FOLLOWING-DESCRIBED CENTERLINE:

BEGINNING AT POINT "A" AS DESCRIBED ABOVE;
THENCE N00°00'00"W, 72.85 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 50.00 FEET;
THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35°19'09",
AN ARC LENGTH OF 30.82 FEET;
THENCE N35°19'09"W, 134.35 FEET;
THENCE N31°47'01"W, 105.13 FEET;
THENCE N24°08'29"W, 76.77 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE
SPECIAL USE LEASE NO. 1822 (APPROVAL) (CONTINUED)

SOUTHEASTERLY HAVING A RADIUS OF 120.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 72°55'36", AN ARC LENGTH OF 152.74 FEET; THENCE N48°47'07"E, 199.73 FEET; THENCE N53°17'37"E, 99.12 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 150.00 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 53°17'37", AN ARC LENGTH OF 139.52 FEET; THENCE N00°00'00"W, 887.68 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 100.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 25°30'51", AN ARC LENGTH OF 44.53 FEET; THENCE N25°30'51"W, 92.17 FEET; THENCE N20°06'00"W, 78.40 FEET; THENCE N14°37'52"W, 52.83 FEET TO THE RIGHT OF WAY OF HIGHWAY 30 AND THE END OF SAID STRIP OF LAND.

EXCEPT ANY PORTION LYING WITHIN THE RIGHT OF WAY OF HIGHWAY 30.

SIDELINES OF SAID STRIP OF LAND ARE TO BE LENGTHENED AND/OR SHORTENED TO PREVENT GAPS AND/OR OVERLAPS.

The legal description has been reviewed and approved by the GIS Group.

PROPOSED ACTION:

Issue a 30-year communication lease for one (1) cellular-wireless tower site.

RELEVANT FACTUAL BACKGROUND:

The applicant has applied for a telecommunications special use lease. The proposal is to construct and operate one (1) communication site, and install associated equipment, small equipment shelters or cabinets, and associated required radio equipment required for the primary use of cellular voice and data. The facilities include one (1) guyed-lattice tower with an estimated height of 195 feet, along with a 10-foot x 20-foot prefabricated radio equipment shelter, and the related antennas, receivers, radio equipment, and other equipment required to operate and maintain the facility. The primary purpose of the lease is to improve cellular-wireless telephone and related data coverage and emergency response in this rural area of Box Elder County.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Agency staff is recommending an initial temporarily reduced and pro-rated construction rental rate of $2,400 per year, from the beginning of the lease until the facilities are completed, as described in the proposed lease. This initial rate will be pro-rated and could last up to three (3) years. Once the construction is completed, as defined in the proposed lease, the annual base rental will increase to $9,600 per year for the remainder of the first five-year period of the lease. Effective October 1, 2021, the annual base rent shall subsequently be increased by cumulative CPI inflationary adjustments, as set forth in the proposed lease agreement. The proposed lease agreement also contains a clause that gives the Agency the option to re-evaluate the base rental using an appraisal of the lease at the end the 20-year period of the lease. The annual base rental includes rental for the first tenant co-located on the site, which is known as the base or primary tenant. The proposed lease allows for up to four (4) pre-approved sublessees. The applicant (a.k.a. tenant) shall pay the Agency additional sublease revenue for each of the co-located sublessees #2 through #4 in the amount of the greater of: 25% of the adjusted-gross revenue, as defined in the lease.
Pursuant to R850-30-400, a review of comparable lease rates was conducted. The rentals for a communication site of this type located in this area of Box Elder County are within the range consistent with market value. Additional sublease rentals shall be charged when additional sublessees co-locate on the site, subject to the terms of the lease.

The difference in the fair-market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant. The revenue from the proposed use is greater than any other return from the basic raw land value of the parcel. It is nearly certain that the return per acre for the parcel as a communication site will always exceed the fair-market value rental of the subject property for other surface uses. The current estimated raw land value of the subject parcel ranges from about $300 to $400 per acre. Given the current prime interest rate, a fair-market value on raw land would require a per acre rental return of about $20 per acre. Comparatively, the per acre revenue from the communication site lease is significantly higher per acre. It is highly probable that revenue per acre shall exceed that amount, depending on the number of future sublessees that may co-locate on the site. In any event, it is extremely unlikely that any other use would ever exceed the projected communication site revenues per acre returned for the site during a 30-year lease period.

This proposed action was submitted for review to the State of Utah, Resource Development Coordinating Committee (“RDCC”) and to the Bear River Association of Governments. No written comments were received, but staff discussed the tower and sage grouse protection with the Division of Wildlife Resources (“DWR”). Agency staff also provided Box Elder County and its County Commission with a notice of the proposed tower site, with no written responses received. Agency staff discussed this proposal with the DWR regarding sage grouse impacts and protection. One concern the DWR had was that the tower could become a perching site for birds of prey to see and attack sage grouse. The applicant committed to install a bird perching prevention shield on the top of the tower to prevent raptor perching and protect sage grouse. The DWR indicated it had no other concerns.

Agency staff contacted the Box Elder County Coordinated Resource Management Group Committee in June 2015, providing it with the opportunity to provide any comments it had regarding the proposed tower. None were ever submitted. Agency staff also contacted the Hill Air Force Base environmental group in June 2015 regarding the proposed tower and provided them with the opportunity to provide comments. No comments were provided.

In May 2015, staff notified the livestock grazing permittee, GP 20346, ROW 2870, ROW 791 and MP 522 of the proposed site; Box Elder County was also notified. No comments were received from any of them.

The applicant contracted for a cultural resource survey, which was completed with a finding of “no historic properties.” Cultural resource compliance has been completed.

The applicant will continue to work with the Federal Communications Commission (“FCC”) to complete any requirements set forth by the FCC to satisfy federal requirements of the FCC and obtain FCC licensing.

The proposed term of the lease is 30 years. A 20-year term is consistent with the normal maximum term for telecommunication site leases, as provided for in R850-30-200(3)(c). However, a 30-year lease may be approved by the Director if it is in the best interest of the beneficiaries. Agency staff recommends that the proposed 30-year lease is in the best interest of the trust beneficiaries because the revenue per acre is the highest and best use of the property, and the longer term is anticipated to be a benefit to retain and attract subtenants on the site. The applicant would not agree to a 20-year term, and would not commit capital resources to build on the site if there was not a 30-year term.
SPECIAL USE LEASE NO. 1822 (APPROVAL) (CONTINUED)

The applicant is a Texas Limited Liability Company, licensed to do business in Utah.

The proposed communication site is expected to benefit the area by providing much-needed and improved public safety communication and cellular-wireless and related data communication in an area that needs coverage.

The applicant shall also be required to procure the appropriate conditional use permit and building permits from Box Elder County before beginning construction. The applicant has already contacted the county regarding zoning and permitting.

The applicant will be required to provide insurance and bonding prior to any on-site construction.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1822 with a 30-year term. The lease shall have a commencement date of October 1, 2016, and an expiration date of September 30, 2046. The beginning annual rental will initially be a temporary lower construction period rental of $2,400 during the construction period, not to last more than three (3) years. Once the construction is completed, the annual base rental will increase to $9,600, during the first five-year period of the proposed lease. Thereafter, the rental adjustments shall be made at the time of each five-year review as set forth in the proposed lease, with the next review date of October 1, 2021.

SPECIAL USE LEASE NO. 1826 (APPROVAL)

APPLICANT’S NAME AND ADDRESS:
EOG Resources, Inc.
600 17th Street, Suite 1000 N
Denver, CO 80602

TYPE: Telecommunication
TERM: 20 years
BEGINNING DATE: October 1, 2016
ENDING DATE: September 30, 2036
BASE RENT DUE DATE: October 1
NEXT FIVE YEAR REVIEW DATE: October 1, 2021
FUND: School
COUNTY: Uintah
SITE REFERENCE NAME: BLUE MOUNTAIN
ACRES: Site: 0.101 acre, m/l

LEGAL DESCRIPTION:
Communication Tower Site Description:
Also, a non-exclusive use access road spur, a distance of approximately 200 feet, from the site to the nearby Uintah County Road for public access, which public road accesses the communication site area. BEGINNING at a point in the NE¼SW¼ of Section 30, T5S, R25E, SLB&M, which bears N 66°44'36" W 2199.63' from the West ¼ Corner of said Section 30, thence N 66°15'51" E 55.00'; thence S 23°44'09" E 80.00'; thence S 66°15'51" W 55.00'; thence N 23°44'09" W 80.00' to the Point of Beginning. Basis of bearings is a G.P.S. observation. Contains 0.101 acre, more or less.

The legal description, derived from a new land survey has been reviewed and approved by the GIS Group.
PROPOSED ACTION:

Issue a 20-year telecommunication special use lease for an existing communication site tower site and facility for the applicant’s internal communication purposes to provide support for its energy operations company operations in the Uintah Basin.

RELEVANT FACTUAL BACKGROUND:

The applicant has applied for a new replacement telecommunications special use lease for an existing small communication site on the Blue Mountain communication site area. The tower site and facility have been previously authorized under a federally-issued right-of-way grant UTU-14504, which the Agency received in an exchange with the federal government. This federal right-of-way grant is now being replaced with a proposed Special Use Lease Agreement No. 1826. The existing communication facility includes one (1) self-support lattice tower, with an estimated height of 40 feet, two (2) small prefabricated equipment shelters that are placed on a concrete pad. Also, radio transmitting and receiving antennas, communications equipment, and related cables, wires, power distribution lines, conduits, air conditioning equipment, a backup power generator and a propane tank and other appurtenances need for the operation of the facility.

EVALUATION OF FACTS:

The proposed use for a telecommunication site is exempt from the competitive advertising requirements of R850-30-500(2).

Agency staff is recommending an amount of $4,360 per year as the beginning annual base lease rental for the first five-year period, as provided for in the proposed lease agreement. Pursuant to R850-30-400, a review of comparable leasing rates was conducted. The beginning rental for this type of use in this area is within the range of market value. Any other use is subject to prior written approval and additional rents as described in the proposed lease agreement. The difference in the fair-market value of the subject parcel and surrounding lands valued as raw lands vs. the highest and best use return as a communication site is significant. The revenue from the proposed use is far greater than any other return from the basic raw land value of the parcel. It is nearly certain that the return per acre for the parcel as a communication site will always significantly exceed the fair-market value rental of the subject property for other surface uses. The current estimated raw land value of the subject parcel ranges from about $150 to $200 per acre. Given the current prime interest rate, a fair-market value on raw land would require a per acre rental return of less than $15 per acre. Comparatively, the initial per acre revenue from the communication site lease shall be significantly greater. In any event, it is unlikely that any other use would ever exceed the projected communication site revenues per acre returned for the site during the period of the lease.

The proposed communication site lease is considered the highest and best use of this small portion of property and as far as can be determined shall not adversely affect any other trust lands. Consultation with Agency staff occurred during the application process.

This application is an existing site, not subject to review to the State of Utah, Resource Development and Coordinating Committee (“RDCC”) and to the local Association of Government. Uintah County supports continuation of the communication site. The existing site, including structures, is remaining the same, and is not considered an undertaking for cultural resources.

The Agency had the applicant obtain a new land survey on the existing site, because the previous survey was found to be incorrect. The cost of the land survey was paid directly to the surveyor by the applicant. The new survey and lease description were reviewed and approved by the GIS Group, and an updated map was attached to the Agency’s Business System.
SPECIAL USE LEASE NO. 1826 (APPROVAL) (CONTINUED)

The term of 20 years is consistent with the normal maximum term of 20 years for telecommunication site leases, as provided for in R850-30-200(3)(c).

The applicant is a Delaware Corporation, licensed to do business in Utah, and is in good standing.

The applicant is required to provide bonding and insurance as set forth in the proposed lease agreement. The updated insurance and bond are in process.

Upon recommendation of Mr. Gary Bagley, the Director approved SULA 1826 with a 20-year term with a commencement date of October 1, 2016, and an expiration date of September 30, 2036. The proposed lease has a five-year review clause, with the next five-year review on October 1, 2021. The applicant has submitted an application fee of $250, a processing charge of $700, the first year’s annual base rental of $4,360, totaling $5,310. Fund: School. County: Uintah.

SPECIAL USE LEASE AGREEMENT NO. 1085 (AMENDMENT #1: TERM EXTENSION – UPDATE LESSEE NAME – LEASE REVIEW)

SULA 1085 was issued to Tim Bastian and Doris Bastian, P.O. Box 427, Aurora, UT 84620, for the purpose of agricultural development, including a small settling and regulating reservoir for irrigation water. The lease was approved on October 1, 1996, for a 20-year term beginning August 1, 1996, and expiring July 31, 2016.

The lessee of record acquired SULA 1085 through assignment on April 27, 2005. On July 18, 2016, Tim Bastian and Doris Bastian submitted a letter requesting that SULA 1085 be amended to extend the term of the lease an additional 20 years and to include their son, Jake Bastian, as the lessee.

In consideration of the lessee’s request, it is recommended that SULA 1085 be amended to update the lessee of record to be Tim Bastian, Doris Bastian, and Jake Bastian, as Joint Tenants, P.O. Box 427, Aurora, UT 84620, and extend the term of SULA 1085 for an additional 20 years, hereby expiring on July 31, 2036.

Because the reservoir is specific to the private irrigated farmland of the lessee, the potential for competing bids or greater income on this parcel is extremely low. Therefore, the lease administrator recommends that the requested amendment be granted without advertisement, which is within the limits authorized by rule. The lease is in the current lease format, including a standard review clause, and is returning above fair-market value for the property rental, thereby meeting the requirements set forth in R850-2 and R850-30-1000.

A lease review has been completed and a CPI index adjustment will increase the annual rental from $560 to $620 per year for the next five-year period. As per the contract, lease reviews will be completed every five (5) years at which time rental adjustments may occur. The next rental review will be due July 31, 2021.

The $400 amendment fee has been submitted and a certified notice was sent informing the lessee of the annual rental amount due with the adjustment. The lessee will be billed for the annual rental amount of $620 if payment has not been submitted at the time of approval. Sevier County. Normal School Fund.

Upon recommendation of Mr. Slate Stewart, the Director approved Amendment #1 to SULA 1085, including: 20-year term extension, update to the lessee name, and a lease review with rental increase.
SPECIAL USE LEASE AGREEMENT NO. 1843 (APPROVAL [PREVIOUSLY 1082] & RESCIND SULA 1082 AMENDMENT #1)

APPLICANT’S NAME AND ADDRESS:
Steven Twitchell Ag, LLC
P.O. Box 185
Enterprise, UT 84725

LEGAL DESCRIPTION:
Township 35 South, Range 16 West, SLB&M
Section 33: W2NE4, W2E2NE4 (All lands west of the airport)

Containing 108 acres (90 farmable), more or less. As depicted on the map attached to the lease as Exhibit A.

The lease administrator has had the legal description reviewed by the GIS Group.

COUNTY: Iron       FUND: School

PROPOSED ACTION:
This is a continuation of an existing use authorized under SULA 1082 Amendment #1. The applicant proposes to continue to use the premises for the purpose of growing agricultural crops on 90 acres. Uses may include grazing and feeding livestock to harvest crop residue, and storing harvested crops on the total 108 acres included in the lease. Existing irrigation supply lines and sprinkler system may be maintained and new lines installed through the property. The lessee may keep the premises fenced and the gates locked subject to the terms of Section 10.6. The Lessee must maintain the premises in a neat and sanitary condition.

RELEVANT FACTUAL BACKGROUND:
On May 19, 2016, the Agency received a written request to amend SULA 1082 to change the name and extend the term. An amendment was approved on June 20, 2016. Prior to approval of Amendment #1 to SULA 1082 the Legal Group recommended that the process of replacing SULA 1082 with a new application be started immediately, due to a lack of clear authority to sign for the deceased lessee of record.

Application was received for a new lease on July 5, 2016. The application for SULA 1843, meant to replace SULA 1082, was approved by the Director on August 15, 2016.

A public notice was published in a paper of local circulation in Iron County according to rule and sent to Iron County and all existing permittees, lessees, and adjoining landowners. No competing applications or comments were received. The application is exempt from review by the Resource Development Coordination Committee (“RDCC”) because it is a continuation of an existing use which has previously been reviewed by RDCC.

As this is a continuation of an existing use a cultural resource survey is not needed as long as there is no new surface disturbance.

EVALUATION OF FACTS:
The required public notice process has been completed pursuant to the requirements of R850-30-500(2)(d) and R850-30-500(2)(e). There were no competing applications or comments received during the notice period.

No Agency water rights are associated with this lease. Water used on trust lands are piped from a well on the applicant’s adjacent private lands with the water rights in his name.
October 3, 2016

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SPECIAL USE LEASE AGREEMENT NO. 1843 (APPROVAL [PREVIOUSLY 1082] & RESCIND SULA 1082 AMENDMENT #1) (CONTINUED)

The requested term of the new lease is 20 years. A lease review will be completed every five (5) years including an evaluation of rent and rental adjustments.

A rental review using CPI and the previous five-year payment schedule for SULA 1082 of $1,080 was completed and the rental increased to $1,200 for the first five (5) years of SULA 1843. The rental amount as proposed equals $11.11 per acre for the total acres, and $13.33 per farmable acre. The value of the subject property is estimated to be $400 per acre, for a total value of $36,000 for the farmable acres. This amount, multiplied by the accepted rate of 3.5%, is greater than the rental amount. Pursuant to Board Policy, the rental amount of $1,200 per year can only be accepted if a termination clause is included in the contract. As the rental amount per year is equal to comparable agricultural lease rates of this type, and the applicant has agreed to a termination clause, the rental amount of $1,200 per year for the first five (5) years does satisfy R850-30-400(2).

APPLICATION TYPE: Agricultural FIRST YEAR RENTAL: $1,200
TERMS: 20 years with five (5) year reviews APPLICATION FEE: $250
BEGINNING DATE: June 1, 2016 PROCESSING FEE: $700
ENDING DATE: May 31, 2036 ADVERTISING FEE: $400
NEXT REVIEW DATE: June 1, 2021 TOTAL SUBMITTED: $2,550

Upon recommendation of Mr. Slate Stewart, the Director approved SULA 1843 and rescinded Amendment #1 to SULA 1082, thereby terminating SULA 1082 at the expiration of its contract term.

SPECIAL USE LEASE NO. 1838 (TERMINATION)

NAME AND ADDRESS OF LESSEE:
MCW Oil Sands Recovery, LLC
18653 Ventura Blvd., Suite 158
Tarzana, CA 91356

LEGAL DESCRIPTION:

Township 4 South, Range 20 East, SLB&M
Section 24: SW¼NE¼ (within)

Beginning at a point on the West line of the SW¼NE¼ of Section 24, T4S, R20E, S.L.B.&M. which bears S00°03'03"W 2188.08' from the North ¼ Corner of said section, thence N80°35'23"E 106.99'; thence N88°14'24"E 76.21'; thence N56°09'04"E 111.45'; thence N86°57'01"E 170.56'; thence S29°35'57"E 178.54'; thence N70°59'42"E 112.54'; thence S70°12'47"E 51.67'; thence S34°34'27"E 50.92'; thence S17°52'02"W 43.46'; thence S65°08'33"W 148.83'; thence S21°42'48"E 29.29'; thence S63°06'47"W 303.14'; thence N75°54'48"W 196.38'; thence N62°12'16"W 134.03' to the said west line of the SW¼NE¼; thence N00°03'30"E 244.96' to the point of beginning. Basis of bearings is the North-South ¼ section line of the said section which is assumed to bear S00°03'30"W. Contains 4.79 acres.

The lease administrator has had this legal description reviewed by the GIS Group.

COUNTY: Uintah ACRES: 4.79 FUND: School
SPECIAL USE LEASE NO. 1838 (TERMINATION) (CONTINUED)

The Director has issued a Final Agency Action terminating Special Use Lease No. 1838 effective October 3, 2016. The lessee is MCW Oil Sands Recovery, LLC (“MCW”). The SULA 1838 was issued effective July 1, 2016, for the purpose of constructing, operating, and maintaining an oil sands processing facility.

Paragraph 10.4(a) of the lease required that MCW provide the Agency with a good and sufficient bond or other acceptable financial guarantee to guarantee MCW’s performance of all covenants and obligations under SULA 1838, in the amount of $200,000, to be filed with the Agency within 30 days of the commencement date of the lease. The deadline for submission of the required bond was July 30, 2016. The required bond was not received by SITLA by the July 30, 2016 deadline.

Pursuant to Paragraph 11.1(a) of the lease, on August 18, 2016, the Agency sent a certified notice of default to MCW, notifying MCW that they were in default of the terms and conditions of the lease regarding the bonding requirement set forth in Paragraph 10.4(a) of the lease. The notice of default further notified MCW that they had 30 days from the date of the notice to cure the default, and that if the default was not cured timely, the Agency would terminate the lease and exercise its rights and remedies pursuant to SULA 1838. The deadline for MCW to cure the default was September 17, 2016.

MCW has failed to cure the aforementioned default prior to the September 17, 2016 deadline. Therefore, pursuant to Paragraph 10.4(b) and Paragraph 11.2 of the lease, the Agency has terminated SULA 1838, effective October 3, 2016.

A certified notice of the final Agency action has been sent to MCW. If MCW wishes to appeal the action, they must file a written petition within 14 days of the mailing date of the action, requesting that the Board of Trustees conduct an adjudicative proceeding to review the Agency’s action. The written petition must be filed with the office of the Director and contain the information set forth in Utah Admin. Code R850-8-1000. In the event that an appeal is not filed in the applicable time period, the decision will become final and unappealable.

This item was submitted by Mr. Chris Fausett for record-keeping purposes.

SALES

ISSUANCE OF PATENT NO. 20428

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8500
CERTIFICATE OF SALE NO.: 26682
SALE DATE: May 25, 2016
PATENT NO.: 20428
PATENT DATE: August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT 84095

LEGAL DESCRIPTION:
Township 31 South, Range 25 East, SLB&M
Section 16: All
ISSUANCE OF PATENT NO. 20428 (CONTINUED)

Containing 640.00 acres, more or less.

SAN JUAN County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.

ISSUANCE OF PATENT NO. 20429

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.:  8223
CERTIFICATE OF SALE NO.:  26679
SALE DATE:  May 25, 2016
PATENT NO.:  20429
PATENT DATE:  August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT  84095

LEGAL DESCRIPTION:
Township 43 South, Range 11 West, SLB&M
Section 16:  SW¼NW¼, SW¼, SW¼SE¼

Containing 240.00 acres, more or less.

WASHINGTON County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.

ISSUANCE OF PATENT NO. 20430

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.:  8575
CERTIFICATE OF SALE NO.:  26681
SALE DATE:  May 25, 2016
PATENT NO.:  20430
PATENT DATE:  August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT  84095
ISSUANCE OF PATENT NO. 20430 (CONTINUED)

LEGAL DESCRIPTION:
  Township 5 South, Range 5 East, SLB&M
  Section 1: Lot 3, SE¼NW¼, E½SW¼, SE¼
  (less ROW 715 conveyance for Hwy. 40)

  Containing 298.56 acres, more or less.

WASATCH County          USH Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.

ISSUANCE OF PATENT NO. 20431

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8574
CERTIFICATE OF SALE NO.: 26680
SALE DATE: May 25, 2016
PATENT NO.: 20431
PATENT DATE: August 24, 2016

ISSUED TO:
  Lyman Family Farm, Inc.
  10888 South 300 West
  South Jordan, UT  84095

LEGAL DESCRIPTION:
  Township 4 South, Range 5 East, SLB&M
  Section 35: Lot 1, N½SE¼
  (less ROW 690 conveyance for Hwy. 40)

  Containing 97.05 acres, more or less.

WASATCH County          USH Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.
ISSUANCE OF PATENT NO. 20432

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8558
CERTIFICATE OF SALE NO.: 26648
SALE DATE: June 3, 2015
PATENT NO.: 20432
PATENT DATE: August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT 84095

LEGAL DESCRIPTION:
Township 19 South, Range 19 West, SLB&M
Section 32: W½, NE¼, N½SE¼

Containing 560.00 acres, more or less.

MILLARD County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.

ISSUANCE OF PATENT NO. 20433

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8556
CERTIFICATE OF SALE NO.: 26647
SALE DATE: June 3, 2015
PATENT NO.: 20433
PATENT DATE: August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT 84095

LEGAL DESCRIPTION:
Township 37 South, Range 3 West, SLB&M
Section 2: E½SW¼

Containing 80.00 acres, more or less.

GARFIELD County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.
ISSUANCE OF PATENT NO. 20434

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8555
CERTIFICATE OF SALE NO.: 26646
SALE DATE: June 3, 2015
PATENT NO.: 20434
PATENT DATE: August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT 84095

LEGAL DESCRIPTION:
Township 37 South, Range 3 West, SLB&M
Section 2: W½SW¼

Containing 80.00 acres, more or less.

GARFIELD County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.

ISSUANCE OF PATENT NO. 20435

A patent has been issued for the following paid certificate of sale. Records should be noted.

PRE SALE NO.: 8554
CERTIFICATE OF SALE NO.: 26645
SALE DATE: June 3, 2015
PATENT NO.: 20435
PATENT DATE: August 24, 2016

ISSUED TO:
Lyman Family Farm, Inc.
10888 South 300 West
South Jordan, UT 84095

LEGAL DESCRIPTION:
Township 37 South, Range 3 West, SLB&M
Section 2: S½SE¼

Containing 80.00 acres, more or less.

GARFIELD County SCHOOL Fund

This item was submitted by Ms. Diane Lund for record-keeping purposes.
DEVELOPMENT SALE – MILE POST 2 TRUCK STOP/TRAVEL PLAZA PARCEL A (C-26692)

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED:

CERTIFICATE OF SALE NO.: 26692
CERTIFICATE DATE: September 20, 2016
PATENT NO.: 20436
PATENT DATE: September 16, 2016
PROJECT: South Block/Mile Post 2
PROJECT CODE: SOBLK 001 01
PROJECT MANAGER: Kyle Pasley
FUND: School
COUNTY: Washington
SALE PRICE: $1,528,956
BOARD NOTIFICATION: June 16, 2016

BUYER:
DRAPER SQUARE, LC
920 East Woodoak Lane, Suite 200
Salt Lake City, UT 84117

DESCRIPTION OF TRANSACTION:
The State of Utah School and Institutional Trust Lands Administration (“SITLA”) currently controls 500 acres of freeway commercial land at Mile Post 2 in the City of St. George, Washington County. One (1) parcel in this fully zoned and entitled area, is set aside for visitor convenience use. SITLA had several parties enquire about this parcel over the past five (5) years. One (1) of those parties entered into a transaction with SITLA for 12 acres specifically for use as a truck stop/travel plaza. However, the deal ultimately fell through as no agreement could be reached on key design and quality control elements (C-26582: see Director’s Actions dated September 8, 2014 and September 8, 2015). In January 2016, a new group, led by one (1) of the SITLA’s existing partners in Sun River, approached SITLA to purchase the entire approximately 18-acre parcel for the purpose of developing a truck stop/travel plaza with some light commercial and retail components. This parcel was split into two (2) parcels to be separately conveyed, at the request of the buyer to accommodate a 1031 exchange. This sale represents the northern parcel. The southern parcel is sold on the same date under C-26700. The sale is complete and a patent has been issued to the buyer. The sale price is $3.25 per square foot and has been determined by an appraisal dated March 4, 2016.

LEGAL DESCRIPTION OF SALE PARCEL:
Township 43 South, Range 16 West, SLB&M
Section 24:

Northeast Interchange Parcel- NORTH PARCEL
Beginning at a point which is North 01°15’37” East 2255.71 feet along the West Section line and North 90°00’00” East 349.96 feet from the Southwest Corner of Section 24, Township 43 South, Range 16 West, of the Salt Lake Base and Meridian to a point on the right of way of the Atkinville Interchange, Utah Department of Transportation Project No. *HPP-15-1561*; said point also being on the South boundary of the State of Utah Exchange Patent No. 20076, Recorded on March 26, 2009 as Document No 20090011036 in the office of the Washington County
DEVELOPMENT SALE – MILE POST 2 TRUCK STOP/TRAVEL PLAZA PARCEL A (C-26692) (CONTINUED)

Recorder, in said County, State of Utah; thence South 75°55'25" East 824.87 feet along said Exchange Patent property to a point on the Astragalus Drive right of way recorded on December 10, 2009 as Document No. 20090026781 in the office of the Washington County Recorder, in said County, State of Utah; thence Southwesterly the following (2) courses along said right of way; thence Southerly 260.90 feet along an arc of a 2,045.00-foot radius curve to the left (center bears South 74°03'39" East, long chord bears South 12°17'03" West 260.72 feet with a central angle of 07°18'35"); thence Southerly 676.66 feet along an arc of a 1,955.00-foot radius curve to the right (center bears North 81°22'15" West, long chord bears South 18°32'41" West 673.29 feet with a central angle of 19°49'52"); thence North 31°19'50" West 1,106.48 feet to a point on the right of way of the Atkinville Interchange, Utah Department of Transportation Project No. *HPP-15-1(56)1; thence North 16°47'44" East 155.19 feet along said right of way to the Point of Beginning.

Containing 470,231 square feet or 10.80 acres.

The legal descriptions above have been reviewed by the GIS Group.

Excepting and reserving to the State of Utah, for the benefit of the State and it successors in interest, assigns, permittees, licensees and lessees from time to time, all coal, oil and gas and other mineral deposits, along with the right for the School and Institutional Trust Lands Administration or other authorized persons or entities to prospect for, mine, and remove the deposits.

Subject to exceptions and reservations contained in federal conveyance documents, and subject also to all rights of way reserved to the United States by statute.

Subject to a perpetual easement (ESMT 1335) for the construction and maintenance of a natural gas line in favor of St. George City dated July 1, 2008.

Subject to a perpetual easement (ESMT 1362) for the construction and maintenance of a reuse water line in favor of St. George City dated June 13, 2008.

Subject to the express covenant that construction of improvements on the conveyed property shall be subject to those review, approval and construction requirements and those Covenants, Codes and Restrictions to be recorded against the conveyed property at a later date, as such requirements are set forth in that Certificate of Sale No. 26692 issued by the State of Utah, and recorded with the office of the Washington County Recorder on September 22, 2016, as Entry 20160035112. These covenants shall run with the land and shall be enforceable by the School and Institutional Trust Lands Administration, its successors and assigns.

This item was submitted for record-keeping purposes by Ms. Alexa Wilson
DEVELOPMENT SALE – MILE POST 2 TRUCK STOP/TRAVEL PLAZA PARCEL B (C-26700)

THE FOLLOWING SALE HAS BEEN EXECUTED AND A PATENT ISSUED:

CERTIFICATE OF SALE NO.: 26700
CERTIFICATE DATE: September 20, 2016
PATENT NO.: 20439
PATENT DATE: September 16, 2016
PROJECT: South Block/Mile Post 2
PROJECT CODE: SOBLK 001 01
PROJECT MANAGER: Kyle Pasley
FUND: School
COUNTY: Washington
SALE PRICE: $999,484.20
BOARD NOTIFICATION: June 16, 2016

BUYER:
DRAPER SQUARE, LC
920 East Woodoak Lane, Suite 200
Salt Lake City, UT 84117

DESCRIPTION OF TRANSACTION:

The State of Utah School and Institutional Trust Lands Administration ("SITLA") currently controls 500 acres of freeway commercial land at Mile Post 2 in the City of St. George, Washington County. One (1) parcel in this fully zoned and entitled area, is set aside for visitor convenience use. SITLA had several parties enquire about this parcel over the past five (5) years. One of those parties entered into a transaction with SITLA for 12 acres specifically for use as a truck stop/travel plaza. However, the deal ultimately fell through as no agreement could be reached on key design and quality control elements (C-26582: see Director’s Actions dated September 8, 2014 and September 8, 2015). In January 2016, a new group, led by one of the SITLA’s existing partners in Sun River, approached SITLA to purchase the entire approximately 18-acre parcel for the purpose of developing a truck stop/travel plaza with some light commercial and retail components. This parcel was split into two (2) parcels to be separately conveyed, at the request of the buyer to accommodate a 1031 exchange. This sale represents the southern parcel. The northern parcel is sold on the same date under C-26692. The sale is complete and a patent has been issued to the buyer. The sale price is $3.25 per square foot and has been determined by an appraisal dated March 4, 2016.

LEGAL DESCRIPTION OF SALE PARCEL:

Township 43 South, Range 16 West, SLB&M
Section 24:

Northeast Interchange Parcel – SOUTH PARCEL

Beginning at a point which is North 01°15’37” East 2,107.09 feet along the West Section line and North 90°00’00” East 308.38 feet from the Southwest Corner of Section 24, Township 43 South, Range 16 West, of the Salt Lake Base and Meridian to a point on the right of way of the Atkinville Interchange, Utah Department of Transportation Project No. *HPP-15-1(56)1; said point also being on the South boundary of the State of Utah Exchange Patent No. 20076, Recorded on March 26, 2009 as Document No 20090011036 in the office of the Washington County Recorder, in said County, State of Utah; thence South 31°19’50” East 1,106.48 feet to a point on the Astragalus Drive right of way recorded on December 10, 2009 as Document No. 20090026781 in the office of the Washington County Recorder, in said County, State of Utah; thence Southwesterly the following (2) courses along said right of way; thence Southwesterly 53.97 feet along an arc of a 1,955.00-foot radius curve to the right (center bears North 61°32’23” West, long chord bears South 29°15’04” West 53.97 feet with a central angle of 01°34’54”); thence South 30°02’31” West 210.48 feet to a point on the right of way of the Atkinville Interchange, Utah Department of
DEVELOPMENT SALE – MILE POST 2 TRUCK STOP/TRAVEL PLAZA PARCEL B (C-26700) (CONTINUED)

Transportation Project No. *HPP-15-1(56)1; thence northerly the following (4) courses along said right of way; thence North 32°54'21" West 6.37 feet; thence Northwesterly 678.88 feet along an arc of a 2,515.00-foot radius curve to the left (center bears South 57°01'18" West, long chord bears North 40°42'41" West 676.82 feet with a central angle of 15°27'58"); thence Northerly 368.92 feet along an arc of a 324.00-foot radius curve to the right (center bears North 41°33'20" East, long chord bears North 15°49'29" West 349.31 feet with a central angle of 65°14'22") thence North 16°47'44" East 334.22 feet;

Containing 307,534 square feet or 7.06 acres.

The legal descriptions above have been reviewed by the GIS Group.

Excepting and reserving to the State of Utah, for the benefit of the State and it successors in interest, assigns, permittees, licensees and lessees from time to time, all coal, oil and gas and other mineral deposits, along with the right for the School and Institutional Trust Lands Administration or other authorized persons or entities to prospect for, mine, and remove the deposits.

Subject to exceptions and reservations contained in federal conveyance documents, and subject also to all rights of way reserved to the United States by statute.

Subject to a perpetual easement (ESMT 1335) for the construction and maintenance of a natural gas line in favor of St. George City dated July 1, 2008.

Subject to a perpetual easement (ESMT 1362) for the construction and maintenance of a reuse water line in favor of St. George City dated June 13, 2008.

Subject to the express covenant that construction of improvements on the conveyed property shall be subject to those review, approval and construction requirements and those Covenants, Codes and Restrictions to be recorded against the conveyed property at a later date, as such requirements are set forth in that Certificate of Sale No. 26700 issued by the State of Utah, and recorded with the office of the Washington County Recorder on September 22, 2016, as Entry 20160035111. These covenants shall run with the land and shall be enforceable by the School and Institutional Trust Lands Administration, its successors and assigns.

This item was submitted for record-keeping purposes by Ms. Alexa Wilson

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ACTIONS CONTAINING FEE WAIVERS
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None
TRUST ACCOUNTING ACTIONS

INTEREST RATES
Following are the current and past year prime rates:

CURRENT YEAR: 3.50%
ONE YEAR AGO: 3.25%

Separately, a late penalty of 6% or $30, whichever is greater, shall be charged after failure to pay any financial obligation, excluding royalties as provided in R850-5-300(2), within the time limit under which such payment is due.

Interest on delinquent royalties shall be based on the prime rate of interest at the beginning of each month, plus 4%.